



THE CONFLUENCE

Uniting strengths.
Energising communities.
Powering tomorrow.

ANNUAL REPORT
2025/26

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THE CONFLUENCE



Every meaningful journey is shaped by moments when individual paths converge to create something greater than what could ever be achieved alone. It is through the coming together of people, ideas, experience and opportunity that resilience is strengthened, innovation flourishes and lasting value is created. These moments do not simply define progress—they redefine what is possible.

Throughout the year, Resus Energy PLC continued to build upon its strong foundations while embracing new opportunities that broaden our horizons and strengthen our purpose. Each milestone achieved reflects more than operational success; it represents the collective contribution of our people, the confidence of our stakeholders, the trust of our partners and our unwavering commitment to delivering sustainable energy solutions that create enduring value.

Like rivers that gather strength from every stream they embrace, our journey has been enriched by collaboration, guided by shared purpose and driven by the belief that sustainable growth is realized through unity rather than individual endeavor. As diverse strengths, perspectives and ambitions come together, they create the momentum needed to navigate new opportunities while remaining steadfast in our responsibility to the environment, the communities we serve and future generations.

This philosophy of bringing together strengths, aspirations and possibilities lies at the heart of our journey. It is the force that connects our past achievements with our future ambitions, and it is this enduring spirit of unity, progress and purpose that inspires our theme for the year—The Confluence.

INTRODUCTION TO OUR ANNUAL REPORT

Resus Energy PLC
Annual Report 2025/26

SCOPE AND BOUNDARY

This report provides a comprehensive review of the business operations of Resus Energy PLC and its subsidiaries for the financial year ended 31st March 2026, with comparative information for the year ended 31st March 2025. In preparing this report, the principle of materiality has been applied to ensure focus on the most significant economic, environmental and social matters relevant to both internal and external stakeholders over the short, medium and long term. This materiality-based approach supports the enhancement of operational performance, the strengthening of the Group’s sustainability framework and the reinforcement of robust corporate governance practices across the organisation.

The Company confirms that there have been no changes to the reporting scope, accounting policies or reporting boundaries compared to the previous year. Non-financial disclosures remain consistent with prior reporting periods, except where otherwise stated.



INTRODUCTION TO THE COMPANY

Resus Energy PLC is a leading player in Sri Lanka’s renewable energy sector and plays a significant role in supporting the country’s transition towards a more sustainable energy future. With a diversified portfolio comprising hydro and solar power projects, the Company is committed to driving innovation, promoting sustainability and contributing to national energy resilience and independence.

Sustainability is a fundamental part of the core ethos of Resus Energy PLC. The company acknowledges the pressing need to reduce carbon emissions and respond to the growing challenges of climate change. In line with this commitment, it continues to responsibly develop and utilize renewable energy sources to support meet Sri Lanka’s increasing demand for electricity in an environmentally responsible way.

Feedback

We welcome your comments and inquiries on this report. Please contact:

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Chief Financial Officer
Resus Energy PLC
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Colombo 7, Sri Lanka.
Email : manohara@resusenergy.lk

ABOUT US

RENEWABLE ENERGY PROJECTS AND FUTURE OUTLOOK

The Company's hydropower projects utilize the natural flow of water to generate clean and reliable electricity. By leveraging Sri Lanka's abundant water resources, Resus Energy PLC delivers sustainable energy solutions that help minimize environmental impact. Continuous optimization of its hydroelectric operations further strengthens its contribution to the nation's clean energy transition.

In addition, the Company is a key contributor to solar energy development in Sri Lanka. Its advanced solar power facilities harness the island's abundant sunlight, reducing dependence on fossil fuels and supporting a more sustainable energy mix.

Looking ahead, Resus Energy PLC remains well positioned to capitalize on emerging growth opportunities in the renewable energy sector. The Company is actively evaluating and pursuing new investments and development prospects across Sri Lanka and selected international markets, aligned with its strategic priorities and long-term vision. By fostering innovation, operational excellence and sustainable value creation, Resus Energy PLC seeks to enhance stakeholder value while contributing meaningfully to national and global sustainability objectives.

VISION

Resus Energy strives to build a commercially sustainable and an energetic World-class organization that cares for "people and the planet" in meeting electricity needs of the people.

MISSION

Resus Energy strives to build a commercially sustainable and an energetic World-class organization that cares for "people and the planet" in meeting electricity needs of the people. We generate electricity using renewable energy sources. In doing so, we create an organization that is: commercially sustainable and provides superior value to our shareholders; a challenging and fulfilling work environment to our employees; caring for stakeholders and our natural environment.

CORE VALUES

Creativity

Integrity

Concern for People and Planet

Obsession for Performance

Sense of Urgency

OUR JOURNEY

2003/04

June

Incorporated Hemas Power (Pvt) Ltd as a fully owned subsidiary of Hemas Holdings PLC

2014/15

October

Sold joint venture stake in Heladhanavi Limited to Lakdhanavi Limited and became 100% renewable energy company

December

Sold entirety of shares of Butama Hydro Electricity Company Ltd. Hemas Holding PLC sold 75% of ownership stake in Hemas Power PLC to a consortium comprising NDB Capital Holdings Limited, ACL Cables PLC and Trydan Partners (Pvt) Ltd. Changed the name of the company to "Resus Energy PLC"

2015/16

September

Carried out a capital reduction and a share repurchase distributing Rs. 1.6Bn to its shareholders. Raised Rs. 1.08Bn bank loans for Group capital restructuring

2004/05

September

Commissioned Heladhanavi Limited, the first power project. It is a thermal power plant with capacity of 100 MW and was a joint venture between Hemas Power (Pvt) Ltd and Lakdhanavi Limited

2008/09

October

Commissioned the first hydro Power project, Giddawa Hydro Power (Pvt) Ltd with a capacity of 2.0 MW in Digana, Theldeniya

2009/10

September

Raised Rs. 626 Mn by way of an Initial Public offering and listed on the Main Board of the Colombo Stock Exchange as 'Hemas Power PLC'

December

Acquired Upper Agra Hydro Power (Pvt) Ltd, an operational hydro power plant with capacity of 2.6MW located in Lindula, Thalawakelle

2011/12

April

Secured permits for hydropower projects in Bundibugyo, Uganda with an aggregate capacity of 10MW under Butama Hydro Electricity Company Limited, a fully owned subsidiary of Hemas Power PLC incorporated in Uganda

December

Commissioned 2.4MW Upper Magalganga mini hydropower project in Maliboda, Deraniyagala

2017/18

April

Acquired J.B Power (Pvt) Ltd with right to develop a 0.7MW Ranwala Oya hydropower project in Maliboda, Deraniyagala

February

Obtained right to develop two solar projects of 1MW each in the Ampara District under the 60MW PV Power Plants of the 1 X 60MW 'Soorya Bala Sangramaya- Phase 2' tender

2016/17

August

Commissioned 1.4 MW Gomale Oya hydropower project in Imewatte, Magala, Deraniyagala

October

Sold 15% ownership stake of Associate company Pan Asian Power PLC

March

Commissioned 1.5MW Moragaha Oya hydropower project in Panwila, Kandy

2025/26**June**

Issued Rs. 1 Bn Green bond being the first non financial organization to issue green bond in the country.

March

Construction completed in Ampara 2MW solar power plant project.

The Group's proposed first project in East Africa remains under the approval process.

January

Resus Engineering (Pvt) Ltd commenced its external operations as a diversified subsidiary of the group.

2023/24**September**

Commissioned 1MW Solar PV Power Plant in Siyambalanduwa under 1X 90MW PV Soorya Bala Sangramaya - Phase 2 tender

2024/25**March**

Commissioned 5MW PV Solar Power Plant in Ampara under 90MW Solar power project of 'Soorya Bala Sangramaya Phase 2'

2022/23**April**

Commissioned 6MW Solar PV Power Plant in Mahiyanganaya under 1X 90MW PV Soorya Bala Sangramaya - Phase 2 tender

2021/22**January**

Commissioned balance 1.4MW of hydropower plant in Karapalagama under its final phase

2018/19**April**

Acquired Sierra Power (Pvt) Ltd with right to develop a 2.4MW hydropower project in Karapalagama, Nuwara Eliya District

2020/21**September**

Commissioned 1MW Solar PV plant in Siyambalanduwa, Monaragala district, being the first operational solar plant under Resus Energy PLC

March

Resus Energy PLC issued debenture for Rs 611.35 Mn with maturities spanning from 03 to 05 years for group debt restructuring

November

Commissioned Ranawala Oya hydropower project in Maliboda, Deraniyagala

2019/20**April**

Obtained right to build twelve solar power projects of 1MW each in the Ampara and Mahiyanganaya districts the 1 X 60MW 'Soorya Bala Sangramaya - Phase 2' tender

November

Commissioned 1MW Solar plant in Siyambalanduwa, Monaragala district, being the second operational solar plant under Resus Energy PLC

March

Resus Energy PLC merged with its wholly owned subsidiaries Giddawa Hydropower (Pvt) Ltd, Okanda Power Grid (Pvt) Ltd and Upper Agra Oya Hydro Power (Pvt) Ltd. Signed SPPA's for two solar power projects of 1MW each in Ampara district under 1 X 60MW 'Soorya Bala Sangramaya - Phase 2' tender

July

Commissioned 1.9 MW Upper Hulu ganga Hydropower plant in, Huluganga. Panwila, Kandy

February

Obtained rights to build 2 solar power projects of 10MW each in the Ampara and Mahiyanganaya areas under 150MW solar PV tender.

September

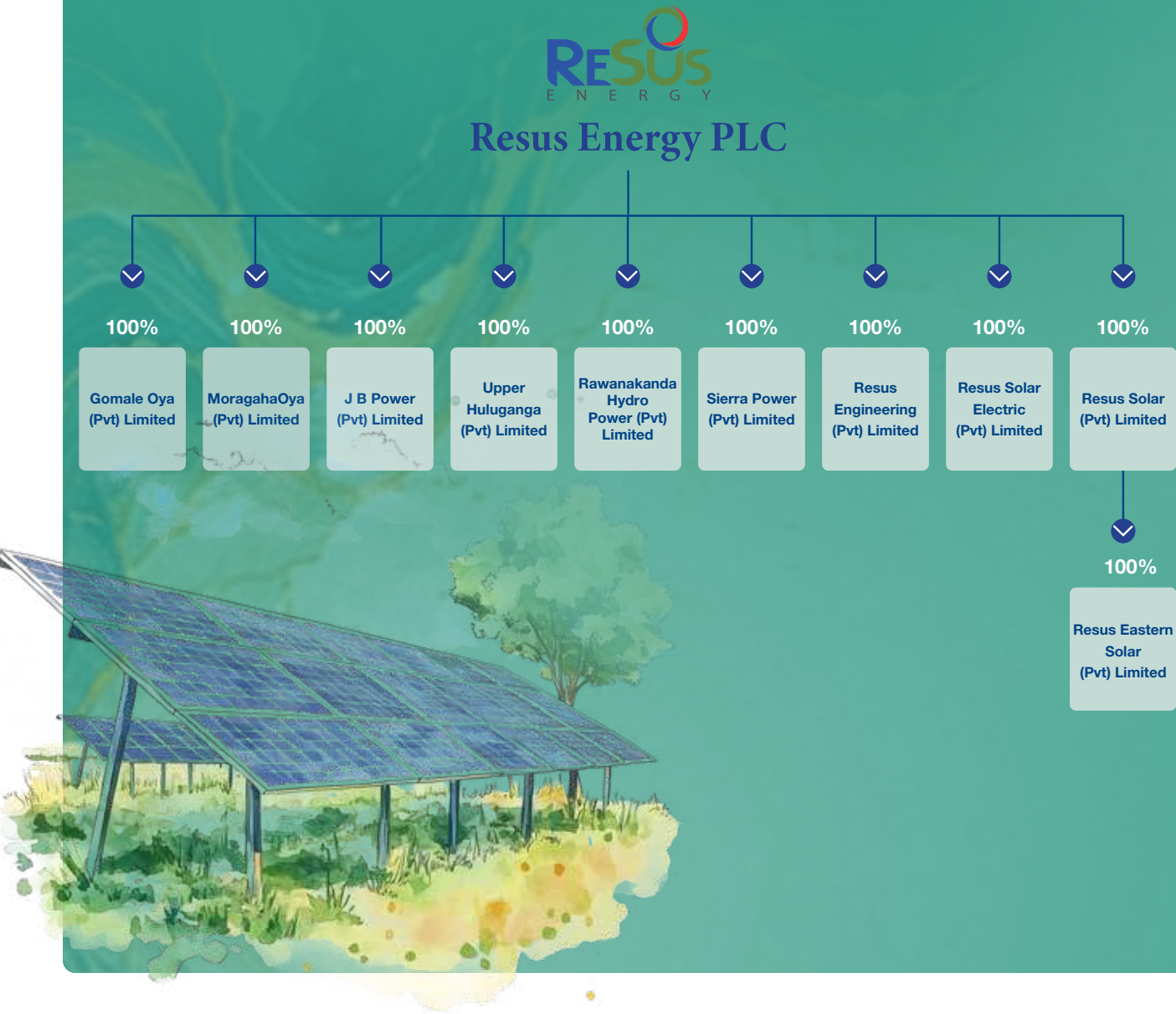
Secured a study permit for a hydropower project in Uganda

May

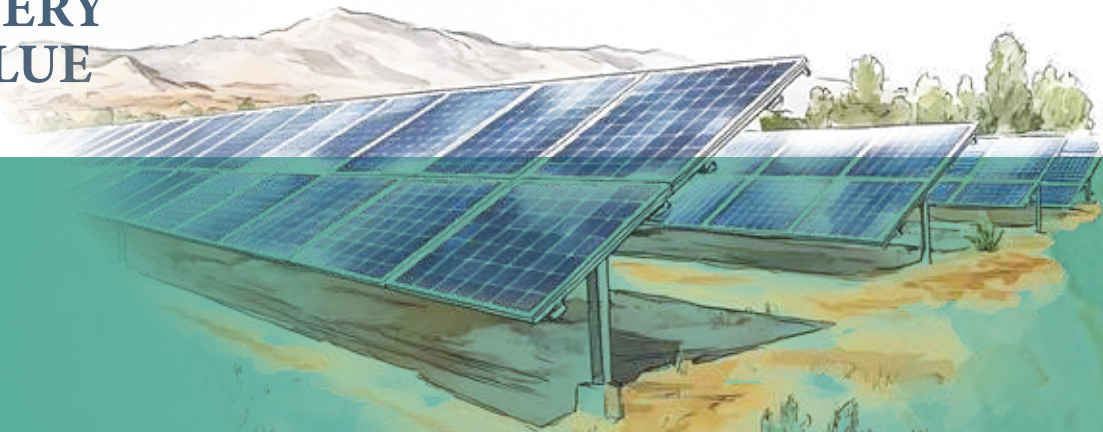
Partly Commissioned 1MW of 2.4MW hydropower plant in Karapalagama under phase 01

OUR ORGANISATIONAL STRUCTURE

Resus Energy PLC is a limited liability company listed on the Colombo Stock Exchange. The company and its subsidiaries are incorporated and domiciled in Sri Lanka.



DELIVERY OF VALUE



Hydro power
sector revenue
Rs. 577 Mn

Solar power
sector revenue
Rs. 351.5 Mn

Engineering
Sector revenue
Rs. 81.5 Mn

Community
engagement rate
80%

Operating
Profit
Rs. 586.5 Mn

Taxes paid to
Government
Rs. 64.5 Mn

Water
recycled
342,449,161 m³

Total Capital Deployed in
Renewable Energy Sector
Rs. 7.7 Bn

Total training
hours
316 hrs

Investment in community
development
Rs. 0.7 Mn

Reduction in greenhouse
gas emissions
46,086 tCO₂

Group
PAT
Rs. 156.9 Mn

Electricity generated
from fully owned
hydro power plants
43.75 GWh

Electricity generated
from fully owned
solar power plants
20.95 GWh

Net Assets value
per share
after share split
Rs. 5.96

FINANCIAL HIGHLIGHTS

Year Ended 31st March	2025/26	2024/25	Change	2023/24
	Rs.	Rs.	%	Rs.
RESULTS FOR THE YEAR				
Group Revenue	1,010,309,979	1,241,317,605	-19%	1,119,149,899
Results from Operating Activities	586,574,127	759,934,766	-23%	800,515,051
Net Finance Cost	(398,881,945)	(390,365,473)	2%	(535,587,207)
Profit/(Loss) before Tax	187,692,183	369,569,293	-49%	264,927,844
Profit/(Loss) for the year	156,977,663	214,970,555	-27%	373,882,505
Profit/(Loss) attributable to Equity Holders of the Parent	156,977,663	214,970,555	-27%	373,882,505
Dividends	(64,661,713)	(86,184,827)	-25%	(107,731,034)
FINANCIAL POSITION HIGHLIGHTS				
Equity Attributable to Equity Holders of the Parent	2,568,505,428	2,472,341,950	4%	2,345,638,625
Total Assets	7,682,405,633	6,623,906,405	16%	6,222,155,671
Total Debt	4,652,733,198	3,597,398,740	29%	3,456,662,985
No of Ordinary Shares*	430,924,135	86,184,827	400%	86,184,827
Gearing (%)	64.4%	59.27%	9%	59.60%
SHAREHOLDER INFORMATION				
Earnings/(Loss) per Share*	0.36	0.50	-27%	0.87
Return on Equity	6.1%	8.9%	-31%	16.89%
Net Assets per Share*	5.96	5.74	4%	5.44
Interest Cover	1.47	1.95	-24%	1.49
Dividend per Share*	0.15	0.20	-25%	0.25
Dividends Payout	41.2%	40.1%	3%	28.81%
Dividend Cover	2.43	2.49	-3%	3.47
Market Price as at 31 st March*	9.5	26.50	-64%	17.60
Market Capitalisation	4,093,779,283	2,283,897,916	79%	1,516,852,955

* Share split executed 1 to 5 in 2025.

NON- FINANCIAL HIGHLIGHTS

Indicator		2025/26	2024/25
 FINANCIAL CAPITAL			
201-1	Economic value added (Rs. Million)	950.81	1,177.48
 ENVIRONMENTAL CAPITAL			
302-1	Energy consumption (GJ)	448	509.68
303-1	Total water withdrawal (m ³)	342,450,252	387,261,047
305-1	Direct greenhouse gas emissions-Scope1 (t-CO ₂)	40.20	33.53
305-2	Energy indirect greenhouse gas emissions - Scope 2 (t-CO ₂)	88.55	61.6
305-3	Other indirect greenhouse gas emissions - Scope 3 (t-CO ₂)	18.60	2.4
306-1	Water discharge (m ³)	342,449,161	387,259,668
307-1	Environmental fines and non-compliance	Nil	Nil
 HUMAN CAPITAL			
	Total workforce	115	108
403-2	Number of injuries	Nil	Nil
	Lost days	Nil	Nil
404-1	Average training hours per employee	2.74	3.82
406-1	Incidences of discrimination	Nil	Nil
407-1	Incidences of child labour	Nil	Nil
409-1	Incidences of forced labour during the year	Nil	Nil
 SOCIAL AND RELATIONSHIP CAPITAL			
413-1	Community engagement	70	66
416-1	Incidences of non-compliance concerning health and safety impacts of services	Nil	Nil
419-1	Incidences of non-compliance with laws and regulations	Nil	Nil

“

Our aggregate installed capacity now stands at 30 MW and will be 32 MW soon with the addition of 2MW solar project in Ampara now nearing Completion.



CHAIRMAN'S MESSAGE

Dear Shareholders,

Welcome to the twenty third Annual General Meeting of Resus Energy PLC. I am pleased to present our eleventh Integrated Annual Report and the Audited Financial Statements for the year ended 31st March 2026. Considering the damage caused by Cyclone Ditwah to some of our power stations and to the national grid, amid CEB forcing grid outages limiting our power generation and dispatch, we have delivered a resilient performance for the year.

Although our operational performances up to Ditwah, even with forced outages was strong, it substantially declined post-Ditwah with December – the month in which Ditwah occurred, and January recording very low generation. Both these months are generally good for hydropower generation. Nevertheless, following the commissioning of the 5 MW Damana solar plant, our power generation increased by 4% YoY to 64.7 GWh in FY 2025/26 from 62.3 GWh for 2024/25, while the group turnover reduced 19% YoY to Rs.1.0 billion. Correspondingly our Profit Before Tax and Net Profit After Tax declined 49% and 27% respectively to stand at Rs. 188 million and Rs.157 million.

Our aggregate installed capacity now stands at 30 MW and will be 32 MW soon with the addition of 2MW solar project in Ampara now nearing completion. 1 MW project earmarked for development in Palkekele is likely to commence construction in the coming year. In the meantime, we are cautiously participating in government tenders and look forward to strengthening and expanding our presence and footprint in the renewable energy sector.

During the year, we paid a cash dividend of Rs. 64.7 Mn. We believe in sustaining the long-term shareholder value creation through growth without compromising short-term returns. Looking ahead, I am confident in our direction. While our focus remains on building a resilient and diversified portfolio, we continue to utilize our resources efficiently to drive sustainable growth and long-term value creation.

I would like to extend my appreciation to the management and all staff for their contributions to the Company's continued success. I also express my sincere gratitude to my colleagues on the Board for steering the Company and providing strategic guidance.

I thank all our valued shareholders for the continued trust and confidence placed in us.



Suren Madanayake
Chairman

Colombo, Sri Lanka
31st August 2026

“

Resus achieved another first during the year, launching the country's first Green Bond by a non-banking financial company, and raised Rs.1 billion to support new renewable energy projects and refinance existing loans.



MANAGING DIRECTOR'S REVIEW

The financial year ended 31st March 2026 was a challenging period for Resus Energy PLC, as the Group's operations were impacted by the effects of Cyclone Ditwah and forced curtailments by the National System Operator (NSO). Despite the challenges, the Group maintained focus on operational performance, productivity, and quality, recognizing them as the building blocks of long-term value creation. A more diversified generation mix, combined with cost control, helped reinforce the Group's resilience during a difficult year.

The year also marked the commissioning of 5 MW Damana-Ampara Solar plant, the construction of which began in the previous year. It is now operating successfully. As part of our continued commitment to expanding the Group's renewable energy footprint, the improvement in macroeconomic conditions, particularly the stability of the LKR against the US Dollar and the reduction in solar PV panel prices, also enabled us to start building our Ampara 2 MW solar project. This project will soon begin commercial operations and our operational portfolio with that will be 32 MW from eleven locations.

Although we experienced good two quarters at the beginning, the Ditwah cyclone impacted five of our hydropower stations. Our hydropower operations in the third and fourth quarters were thus badly affected. While four of those were restored shortly afterwards, the Giddawa plant, which usually is among our highest generating plants, was out of operation for remaining period of the year. All these plants are in the sub-catchments of the Mahaweli basin that receive their highest rainfall in the inter-monsoon and north-east monsoon times between November and January. As a result, our hydropower generation declined 6% YoY to 43.8 GWh. That combined with forced curtailments, higher repair & maintenance

and finance costs, resulted in an 27% reduction in Profit after tax to Rs. 157 million.

Resus achieved another first during the year, launching the country's first Green Bond by a non-banking financial company, and raised Rs.1 billion to support new renewable energy projects and refinance existing loans. Green Bonds are listed on the Colombo Stock Exchange. Both solar PV and small hydropower will take center stage in our medium-term expansion plans, backed by meaningful diversifications to manage our exposure.

OPERATIONAL AND FINANCIAL PERFORMANCES

Weather and its impact

Last year experienced unusually adverse weather conditions, most notably Cyclone Ditwah, which caused significant operational disruption. The weather behaved erratically, with prolonged dry spells followed by intense, concentrated rainfall, resulting in inconsistent river flows across our hydropower catchments. Consequently, several hydropower stations fell short

of their monthly generation targets. Our solar power stations were similarly affected, with prolonged cloud cover and reduced irradiance limiting generation output during key periods. Together, the adverse weather - and grid-related forced curtailments, weighed on the Group's overall generation output.

Electricity Generation

Electricity Generation for the financial year 2025/26 was 64.7 GWh. Although this is 4% increase YoY compared to 62.3 GWh recorded in the year before, the increase came from the addition of 5MW Damana-Ampara plant that became fully operational during the early part of the year. Mahiyanganaya Solar recorded the highest generation at 9.23 GWh, despite a 13% YoY decline. Among hydropower plants, Agra Oya SHP recorded the highest generation at 7.97 GWh, increasing 6% YoY, while Upper Magal Ganga SHP followed closely at 7.14 GWh. Gomale Oya SHP, which was impacted by a generator failure in the previous year, recovered strongly with a 56% YoY increase, although its generation of 2.75 GWh remained the lowest amongst the hydropower cluster. The generation details are as follows:

Power Station	kWh	Plant Factor	% YoY
Giddawa SHP	6,435,918	36.7%	-28%
Agra Oya SHP	7,974,431	35.0%	6%
Upper MagalGanga SHP	7,137,352	33.9%	3%
Gomale Oya SHP	2,750,135	22.4%	56%
Moragaha Oya SHP	4,552,320	34.6%	-19%
Upper HuluGanga SHP	5,813,007	33.2%	6%
Ranwala Oya SHP	3,304,067	31.4%	-5%
Karapalagama SHP	5,785,110	33.0%	-17%
Siyambalanduwa Solar	2,684,303	15.3%	-16%
Mahiyanganaya Solar	9,232,180	17.6%	-13%
Siyambalanduwa Solar (1MW)	1,588,777	18.1%	-13%
Damana Solar	7,446,200	17.0%	100%

MANAGING DIRECTOR'S REVIEW

Financial results

The Group's financial performance reflected our resilience in a difficult year. In addition to adverse weather and forced curtailments, our revenue was affected by the transition of the Moragaha Oya SHP to its second tariff tier in April 2025. The tariff was reduced from Rs. 19.14/kWh to Rs. 9.65/kWh. All adversities put together contributed to a 19% YoY decline in Group revenue to Rs. 1.01 billion. While these factors were largely beyond management's control, the gradual recovery of Sri Lanka's construction sector presents renewed opportunities for Resus Engineering to expand its operations. This will enable the group to diversify as well as strengthen the earnings base in the years ahead.

In response to the lower generation output, the Group continued to exercise disciplined cost management, reducing direct operating costs by 12% to Rs. 338 million. Nevertheless, the decline in revenue exceeded the reduction in operating costs, resulting in gross profit declining by 22% to Rs. 672 million. Despite these operational headwinds, prudent treasury management enabled the Group to reduce net finance costs by 2% YoY to Rs. 399 million. Furthermore, the capital expenditure incurred, leading to higher capital allowances, reduced the Group's income tax expense by 80% to Rs. 30 million. Consequently, the Group recorded a profit after tax of Rs. 157 million, representing a moderate decline of 27% from the previous year despite the considerable external challenges faced.

During the year, the Group also continued to strengthen its long-term funding platform to support future growth. Net debt increased from Rs. 3.53 billion to Rs. 4.03 billion, primarily

due to the successful issuance of Rs. 1 billion Green Bonds together with higher Commercial Paper borrowings. As a result, the Group's net gearing ratio increased slightly from 59% to 61%.

While these financing initiatives temporarily elevated gearing, they represent strategic investments in the Group's long-term growth rather than a deterioration in financial strength. As these development projects progressively transition into revenue-generating assets, the Group's retained earnings will increase, and the capital structure is expected to strengthen further. As an investment-led renewable energy group, maintaining a prudent balance between growth, liquidity, and financial leverage remains fundamental to delivering sustainable long-term value for our shareholders.

ECONOMIC AND THE SECTOR OUTLOOK

Economic Challenges

Sri Lanka has remained committed to macroeconomic stabilization through continued implementation of the IMF-supported reforms agenda. The completion of the combined Fifth and Sixth Reviews under the Extended Fund Facility reaffirmed the country's progress under the programme and helped sustain the gains in macroeconomic stability achieved over the past two years. The country recorded GDP growth of 5.0% in both 2024 and 2025, performing above earlier expectations. Growth of 5.4% year-on-year recorded in the third quarter of 2025 signals a sustained recovery from crisis years. The broader macroeconomic environment also improved steadily, supported by declining interest rates and low inflation, contributing to a more stable operating environment overall.

However, the Cyclone Ditwah struck the country in late November 2025, caused significant damage to infrastructure and the agriculture sector. In addition, Sri Lanka remains significantly exposed to the ongoing Middle East conflict. While the increase in oil prices has directly impacted us, the conflict is severely impacting global trade leading to a sluggish state in our key export markets. All of this poses a serious concern for the country's balance of payments position despite the tourism income and inward remittances have generally been at satisfactory levels. Combine effect of this has affected the Sri Lankan rupee badly, depreciating 5.6% against the US dollar. Fitch Ratings currently rates Sri Lanka's Long-Term Foreign-Currency Issuer Default Rating (IDR) and Local-Currency IDR at 'CCC+'.

Further adding to cost pressures, the IMF-mandated cost-recovery pricing protocol requires the government to phase out fuel subsidies by September 2026, and the combination of inflation and monetary tightening are weighing on domestic consumer demand and purchasing power. Looking ahead, should this turn out to be an El Niño year as predicted by weather forecasters, it would further affect agricultural output and the cost of electricity generation - adding yet another layer of risk to an already fragile external environment.

Sector Outlook

Sri Lanka's renewable energy sector is on a clear upward trajectory, anchored by the Ceylon Electricity Board's (CEB) Long-Term Generation Expansion Plan (LTGEP) 2025–2044, approved by the PUCSL in May 2025. The plan targets 70% electricity generation from renewable sources by 2030, with capacity additions led by solar power, followed by wind, mini-hydro,

and biomass. According to the Central Bank of Sri Lanka Annual Report 2025, renewable energy sources accounted for approximately 60.2% of total national electricity generation, reflecting the country's continued progress towards a cleaner energy mix.

As of December 2025, the country's installed renewable energy capacity stood at 5,021 MW, representing 70% of total installed capacity of 7,127 MW. This translated into 10,966 GWh - 61% of total electricity output for the year. Within this, Non-Conventional Renewable Energy (NCRE) capacity was 3,490 MW - 49% of total installed capacity, generating 4,660 GWh - 26% of total generation for 2025. Rooftop solar, at 2,472 MW (35%), is now the largest NCRE segment, followed by small hydropower at 437 MW (6%), wind at 263 MW (4%), ground-mounted solar at 253 MW (4%), and biomass at 54 MW (1%).

Accelerating Sri Lanka's clean energy transition requires not just ambitious policy but also decisive execution, coordinated stakeholder effort, credibility of the utility and that of the regulator, and sustained infrastructure development to bridge the gap between policy intent and the ground level progress. Nonetheless, structural and operational issues remain. The CEB's (now NSO) curtailment of power generation at local renewable energy plants often without adequate compensation is reported to be costing the renewable energy industry close to Rs. 2 billion in lost revenue. Industry stakeholders have also flagged continued delays in payments and implementing Cabinet-approved battery energy storage systems. NSO required a sustainable financial mechanism to maintain operational stability and ensure uninterrupted payments moving forward.

Government Policy and ground reality

Following the implementation of the Sri Lanka Electricity Act, No. 36 of 2024, the CEB was officially dissolved on 8th March 2026, ending its 56-year tenure as Sri Lanka's vertically integrated power utility. Six newly established, fully state-owned companies took over CEB's functions: the NSO, Electricity Generation Lanka, National Transmission Network Service Providers, Electricity Distribution Lanka, the CEB Employees' Fund, and Energy Ventures Lanka. This restructuring was specifically designed to unbundle CEB's longstanding monopoly into more competitive, specialised entities. The Act also promotes a transition towards a market-based energy framework intended to attract private investment, accelerate renewable energy adoption, and reduce fiscal pressure stemming from subsidies and public debt. Collectively, these reforms are meant to support the country's energy policy goals - strengthening energy security, conserving foreign exchange, generating economic benefits, and helping Sri Lanka meet its sustainability commitments.

Progress is also visible on the storage and clean energy fronts. Sri Lanka's first commercial-scale Battery Energy Storage System (BESS) units arrived in Colombo Port in May 2026, under a 160 MW tender. Beyond electricity generation, the country also strives to position itself within the emerging green hydrogen economy. The National Renewable Hydrogen Policy sets out a strategy to develop Sri Lanka into a regional hub for hydrogen and its derivatives, leveraging the country's abundant renewable resources to produce hydrogen at competitive cost. This could allow Sri Lanka not only to decarbonise its own power and industrial sectors, but also to position itself as an

exporter of clean hydrogen within South Asia, simultaneously strengthening energy security and attracting fresh foreign direct investment.

International funding continues to play a vital role in supporting this transition. Multilateral institutions and bilateral development partners - including the International Finance Corporation (IFC), the World Bank, and the Asian Development Bank (ADB) - remain key financiers of renewable energy infrastructure, grid modernization, and storage projects, helping bridge a financing gap that domestic capital markets alone cannot fill.

Notwithstanding these progressive policy directions, the ground reality is complex. Sub-optimal conduct within the public sector and political offices remains a recurring concern. Sri Lanka continues to be dependent on coal and oil, exposing itself to global price volatilities and exchange rate risk, directly affecting affordability and long-term energy security.

CEB's historical failure to build out the infrastructure needed to integrate renewable energy particularly to absorb the substantial influx of rooftop solar has been sub-optimal and counterproductive. Ironically, to manage the grid instability emanating from this, the CEB (now NSO) forces curtailment on low-cost utility-scale renewable energy plants. Unlike the rooftop solar operators, they remain visible to the National Control Centre. That causes substantial financial losses on the utility-scale renewable energy producers in the process.

This points to a deeper planning failure. Much of this curtailment could have been avoided had the pumped-storage plant identified in CEB's own Long-Term

MANAGING DIRECTOR'S REVIEW

Generation Expansion Plan a decade ago, been built. Instead, the country is now turning to BESS technology with a considerably shorter operational lifespan than pumped hydro, and therefore a higher lifecycle cost, while these would still take a year or two to be fully commissioned.

Equally concerning is CEB's continued interest in procuring additional LNG-based power plants, which in practice often end up running on Heavy Fuel Oil. LNG remains an imported commodity, meaning it continues to drain foreign exchange reserves rather than leveraging Sri Lanka's own indigenous renewable resources to generate electricity. LNG also carries a meaningful carbon footprint, working directly against the country's decarbonisation aspirations and international climate commitments.

STRATEGIC OUTLOOK OF THE COMPANY

Growth and Operations

Over the last ten years, our portfolio has grown four-fold to stand at approximately 32 MW now. It comprises eight small hydropower stations with a combined capacity of 16 MW, and three solar PV stations also carrying 16 MW, representing a near-perfect balance between the two technologies. Our estimated annual energy production stands at 75 GWh.

During the year, we successfully built the 2 MW Ampara Solar project. It will be commissioned soon. We have also secured a 1 MW solar PV project in Palkelele, scheduled for development in the coming year. Together, these new additions are expected to contribute approximately 5.0 GWh to our annual energy production. In addition, we intend

to develop our first international project in East Africa, although it is currently at an early stage. While Sri Lanka remains our key development hub for the foreseeable future, and we intend to continue pursuing new and emerging opportunities here, our overseas investment effort is aimed at de-risking our overdependence on a single utility and a market.

Although our past growth has been primarily small hydropower sector driven, our recent investments in solar PV have enabled valuable segmental diversification. Solar generation offers more consistent output compared to hydropower, which remains vulnerable to drought conditions. We are also hopeful that opportunities will emerge in BESS as a medium-term solution to the challenges posed by substantial renewable energy integration, particularly from the rapid growth in rooftop solar.

Resus, as a long-term player in the energy sector, remains resilient and optimistic about an economic turnaround. Despite improvements in power infrastructure and household electrification, Sri Lanka's per capita electricity consumption remains low relative to many other South Asian countries. Should the economy rebound, electricity demand is likely to increase correspondingly. As Sri Lanka works towards its target of 70% renewable energy by 2030 and full decarbonisation by 2050, government policy is likely to continue favouring greater renewable integration. This should, in turn, open considerable opportunities for participants in the renewable energy space. We will be looking to participate in BESS, floating solar, and other upcoming tenders as these opportunities materialise.

Our Engineering company is also expanding rapidly. We expect more project opportunities to emerge from upcoming tenders as the construction sector recovers.

Sustainability

Our Vision and Mission are the cornerstones of creating value to our stakeholders. Our core values, structures, systems, and processors encourage sustainable development and inclusive growth, transparent and visible through our corporate reporting process. Continuous surveillance of compliance with systems, which include our Environmental Management Plan, is part of our development and operational framework. In addition, the quest to empower our staff is taking further strides. Our scheme to grow our own produce as a home garden project, the harvests from which are distributed amongst the staff, is continuing its momentum. Also, we are striving through almost our daily behavioral actions to fulfill our aspiration to be an equal opportunity employer.

Global Reporting Initiative Standards

This is our eleventh integrated Annual Report, and we unceasingly follow the best practices in corporate reporting and matters relating to sustainability. In the past few years, our sustainability reporting has been guided by the GRI G4 guidelines. As a responsible corporate citizen, we were amongst the early adopters of the GRI Standard taking sustainability reporting to greater heights.

Conclusion

With our liquidity improving, we paid a cash dividend of Rs. 64,661,713 last year in line with our objective to maximize returns to our shareholders. Starting off a difficult year, our team stood steadfast as we gradually consolidated our business as they did in more difficult times. They work hand in glove in our pursuit to take this company to greater heights. I salute them. I also extend my sincere gratitude to my fellow colleagues on the Board and to all of you, our valued shareholders, for your continuous trust and confidence, placed in us.



G A K Nanayakkara
Managing Director

Colombo, Sri Lanka
31st August 2026

BOARD OF DIRECTORS



MR. H A S MADANAYAKE
Non-Executive Chairman



MR. G A K NANAYAKKARA
Managing Director



MR. U P EGALAEWA
President's Counsel
Non-Independent
Non-Executive Director



MRS. D C ABEYWARDENA
Independent
Non-Executive Director



PROFESSOR N.D. GUNAWARDENA
Independent
Non-Executive Director



MR. K P P M AMARASIRI
Non-Independent
Non-Executive Director

MR. H A S MADANAYAKE**Non-Executive Chairman**

Appointed to the Board on 6th January 2015

Skills and Experience

Mr. Suren Madanayake holds a BSc. in Mechanical Engineering from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd, which is the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

Membership of Board Sub-Committees

Member of Board Remuneration Committee, Member of Nominations and Governance Committee

Current Memberships on Corporate Boards

Chairman of Resus Energy PLC, Managing Director of ACL Cables PLC and ACL Plastics PLC and Director of Cables Solutions PLC., Ethimale Plantations (Pvt) Ltd., ACL Electric (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., Destination Ceylon (Pvt.) Ltd., and National Asset Management (Pvt) Ltd. He serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity.

MR. G A K NANAYAKKARA**Managing Director**

Appointed to the Board at the inception of the Company in 2003

Skills and Experience

Mr. Kishan Nanayakkara is a Fellow of the Chartered Institute of Management Accountants, UK and the Institute of Chartered Accountants in England and Wales. He holds an MSt in Sustainability Leadership from the Cambridge University, an MSc in Finance from the University of Birmingham, UK and AMP from Said Business School, University of Oxford. Mr. Nanayakkara counts for over thirty years of experience in various sectors from manufacturing to financial services at senior management and board levels. He served on the board of the Sri Lanka Sustainable Energy Authority and as an advisor to the National Council for Economic Development and as a consultant to the Public Enterprise Reforms Commission of Sri Lanka.

In 2019, Mr. Nanayakkara was accorded the Most Outstanding Alumnus Award, AMLP, from the Said Business School, University of Oxford.

Membership of Board Sub-Committees

Member of Board Related Party Transactions Review Committee

Current Memberships on Corporate Boards

Managing Director, Resus Energy PLC

MR. U P EGALAHWEA**President's Counsel****Non-Independent Non-Executive Director**

Appointed to the Board on 19th January 2015

Skills and Experience

Mr. Uditha Egalahewa had his basic legal education at Sri Lanka Law College followed by a master's in law (LLM), University of Colombo; a second master's degree (LLM), as a World Bank sponsored scholar, from the International Maritime Law Institute of Malta in which he graduated with Distinction and was awarded the Professor Walter Muller Prize. He also holds a Postgraduate Diploma in Insurance Law from the University of Colombo.

Mr. Egalahewa counts over 30 years at the Bar. He joined the Chamber of the Attorney General of Sri Lanka in 1990 and served as counsel attached to the Government Institutions Branch, a State Counsel and then as a Senior State Counsel for a period of 15 years. He was appointed as President's Counsel in 2012. Mr. Egalahewa currently holds the Directorship in several companies.

Membership of Board Sub-Committees

Member of Board Remuneration Committee, Related Party Transactions Review Committee, Audit and Risk Committee and Nominations and Governance Committee.

Current Memberships on Corporate Boards

Non-Independent Non-Executive Director, Resus Energy PLC.

BOARD OF DIRECTORS

MRS. D C ABEYEWARDENA
Independent Non-Executive Director
Appointed to the Board on 25th July 2019

Skills and Experience

Mrs. Abeyewardena is a Chartered Accountant, Sri Lanka and a Chartered Management Accountant, UK and has experience in both private and public sector. Her roles in Private sector included heading the Sri Lankan office of Iqvia Transnational, a clinical research company listed on the NYSE, Director Business Development of Hemas Holdings PLC, Manager public relations for Sri Lankan Airlines, and Manager Premier at HSBC Bank. She has during her tenure as Director Public Enterprises Reform Commission of the Government of Sri Lanka, managed several sector reform initiatives and privatizations. She has consulted Micro Cars and SLINTEC.

Membership of Board Sub-Committees

Chairman of Board Audit and Risk Committee, Nominations and Governance Committee, Remuneration Committee and Member of Board Related Party Transactions Review Committee.

Current Memberships on Corporate Boards

Director Louvre Bind Products Pvt Ltd and Environmental Foundation (Guarantee) Ltd.

PROFESSOR N D GUNAWARDENA
Independent Non-Executive Director
Appointed to the Board on 01st January 2025.

Skills and Experience

As a project management consultant Professor Gunawardena possesses over 25 years of extensive experience in the construction industry. Throughout his career, he has served as a Project Management Consultant on a wide range of large-scale building construction projects.

At present, he serves as the Vice-Chancellor of the University of Moratuwa. Throughout his career he has served as Head of the Department of Interdisciplinary Studies, Dean of the Faculty of Business, and Deputy Vice-Chancellor at the University of Moratuwa.

He is a Chartered Engineer and a Corporate Member of the Institution of Engineers, Sri Lanka, as well as a Fellow Member of the Institute of Project Managers, Sri Lanka (IPMSL). His academic credentials include a Bachelor of Science in Engineering from the University of Moratuwa, a Master of Science in Construction Technology, and a Doctor of Philosophy (PhD) in Project Management from Loughborough University of Technology in the United Kingdom.

He also holds a Bachelor of Science (Combined Honors) in Mathematics, Economics, and Management from Royal Holloway, University of London, and a Master of Science in Economics from University College London.

Membership of Board Sub-Committees

Chairman of Related Party Transaction Review Committee, Member of Audit and Risk Committee, Member of Nominations and Governance Committee, Member of Remuneration Committee

Current Memberships on Corporate Boards

Independent Non-Executive Director, R I L Property PLC, He also holds the Directorship on the Boards of Aster Holdings (PVT) LTD, Northshore College of Business & Technology (PVT) LTD, Zays (PVT) LTD, PARKLAND Integrated Solutions (Pvt) Ltd, Aster Services (Pvt) Ltd.

MR. K P P M AMARASIRI**Non-Independent Non-Executive Director***Appointed to the Board on 05th November 2024***Skills and Experience**

Mr. Mahesh Amarasiri is a fellow member of Chartered Institute of Management Accountants UK and Associate Member of Institution of Engineers Sri Lanka. He holds a Master of Business Administration Degree from University of Moratuwa and Bachelor of Science in Electrical Engineering.

Mr. Amarasiri started his professional career as Management Accountant at Bodyline (Pvt) Ltd and currently serves as Group Chief Financial Officer at ACL Cables PLC. Previously he has served at several leading companies such as NDB Investment Bank, Etisalat Lanka (Pvt) Ltd, NDB Zephyr Partners Lanka Private Limited, DSI Samsons Group and he has also served as a Member in several Councils and Committees such as CIMA, Consumer Affairs Authority, Sri Lanka Accounting Standards Committee.

Membership of Board Sub-Committees

None

Current Memberships on Corporate Boards

Non-Executive Director, Resus Energy PLC, Non-Executive Non-Independent Director, Cable Solutions PLC.

MANAGEMENT TEAM



K NANAYAKKARA
Managing Director
MSt., M.Sc., FCMA, FCA (E&W), AMLP



M TILLAKAWARDANA
Chief Financial Officer
MA (Fin. Econ), MBA, FCMA (UK), CGMA, FCPA, MSLIM, ACIM



P MUDUGAMA
Head of Engineering and Operations
B.Sc. Eng. (Mechanical), B.Sc. Defense Studies and Military Eng. AMIE (IESL)



C PERERA
Chief Executive Officer – Resus Engineering (Pvt) Ltd and Uganda operations
PG Dip (Water Resource Eng. & Mgt.), B.Sc. Eng (Civil), AMIE (IESL)



W KATUGAMPALA
Manager - Human Resources
MBA (PIM-SJP), B.Sc.(UOC), ACMIPM



S SILVA
Senior Manager ESG & Operations Administration
B.Sc. M. Phil Primatology, Diploma in Occupational Health & Safety



P KARUNARATHNA
Manager - Technical Services
PG Dip (Electrical Eng.), B.Sc. Eng (Electrical), AMIE (IESL)

OUR BUSINESS OPERATION

Renewable energy is fundamental to building a resilient and low carbon future. By reducing greenhouse gas emissions, strengthening energy security, fostering economic growth and promoting environmental sustainability, renewable energy continues to play a vital role in addressing global climate challenges while supporting long term sustainable development.

GLOBAL ENERGY

The global energy transition continued to accelerate during 2025 as governments, businesses and investors intensified efforts to decarbonise energy systems while strengthening energy security. Renewable energy continued to be the fastest growing source of electricity generation globally, supported by technological innovation, increasing investment and favourable policy frameworks.

According to the International Energy Agency (IEA), renewable energy is expected to account for more than 90% of global electricity demand growth between 2025 and 2030, reflecting the accelerating transition towards cleaner energy sources. The share of renewables in global electricity generation is projected to increase from 32% in 2024 to approximately 43% by 2030. Solar photovoltaic (PV) continues to drive global renewable capacity expansion, supported by technological advancements, increased investment and the development of enabling infrastructure, including battery energy storage systems and grid modernisation initiatives, to enhance energy system flexibility and reliability.

Global efforts to address climate change continue to influence the evolution of energy policies and investment priorities worldwide. Commitments under the Paris Agreement and the global ambition established at COP28 to accelerate renewable energy expansion by 2030

are driving the transition towards cleaner, more resilient and sustainable energy systems. Renewable energy is increasingly recognised as a key enabler of long-term economic growth, energy security and affordability, while supporting global efforts to reduce carbon emissions and enhance energy independence.

LOCAL ENERGY

Sri Lanka continues to advance its transition towards a cleaner and more sustainable energy mix through policy reforms and increased investment in renewable energy infrastructure. The Government remains committed to achieving 70% renewable electricity generation by 2030 and carbon neutrality by 2050, supported by continued private sector participation and improvements to the country's regulatory framework.

During the year, ongoing electricity sector reforms and initiatives to improve the financial sustainability and operational efficiency of the power sector continued to enhance investor confidence. Sri Lanka's abundant solar irradiation, favourable hydrological resources and growing demand for clean electricity continue to provide a strong foundation for expanding renewable energy generation.

The increasing adoption of utility scale solar projects, together with growing interest in battery energy storage systems, is expected to strengthen grid reliability and facilitate higher

renewable energy penetration over the coming years. Continued support from multilateral development institutions further reinforces the long term outlook for Sri Lanka's renewable energy sector and its contribution towards national energy security and sustainable economic development.

OUR OPERATIONS

During the financial year ended 31st March 2026, Resus Energy PLC continued to strengthen its position as one of Sri Lanka's leading independent renewable energy producers through disciplined operational management, strategic investments and sustainable financing initiatives.

A defining milestone during the year was the successful issuance of Sri Lanka's first listed Green Bond by a non-banking energy firm, raising LKR 1Bn to finance and refinance eligible renewable energy projects in accordance with the Company's Green Bond Framework. The proceeds supported the refinancing of existing renewable energy assets while facilitating investments in new ground mounted solar power projects, demonstrating Resus' commitment to accelerating the country's clean energy transition.

The Company continued to focus on maximizing plant availability and operational efficiency across its renewable energy portfolio through proactive maintenance, effective asset management and the expertise of its

OUR BUSINESS OPERATION

technical teams. Resus also advanced the development of additional solar power projects while continuing to evaluate opportunities in battery energy storage and other renewable energy technologies that complement its long-term growth strategy.

OUR RENEWABLE ENERGY PORTFOLIO

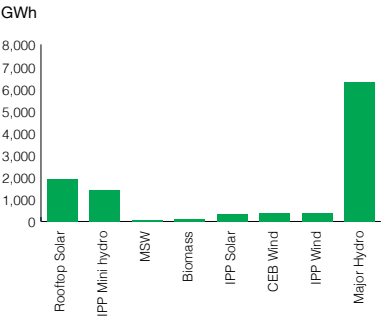
As at 31 March 2026, Resus Energy PLC owned and operated a diversified renewable energy portfolio comprising eight hydropower plants with a combined installed capacity of 16 MW and four ground mounted solar power plants with a total installed capacity of 14 MW.

In the financial year 2025/26, the total capacity generated and supplied to the national grid was 64.7 GWh, compared to 62.3 GWh in the previous year.

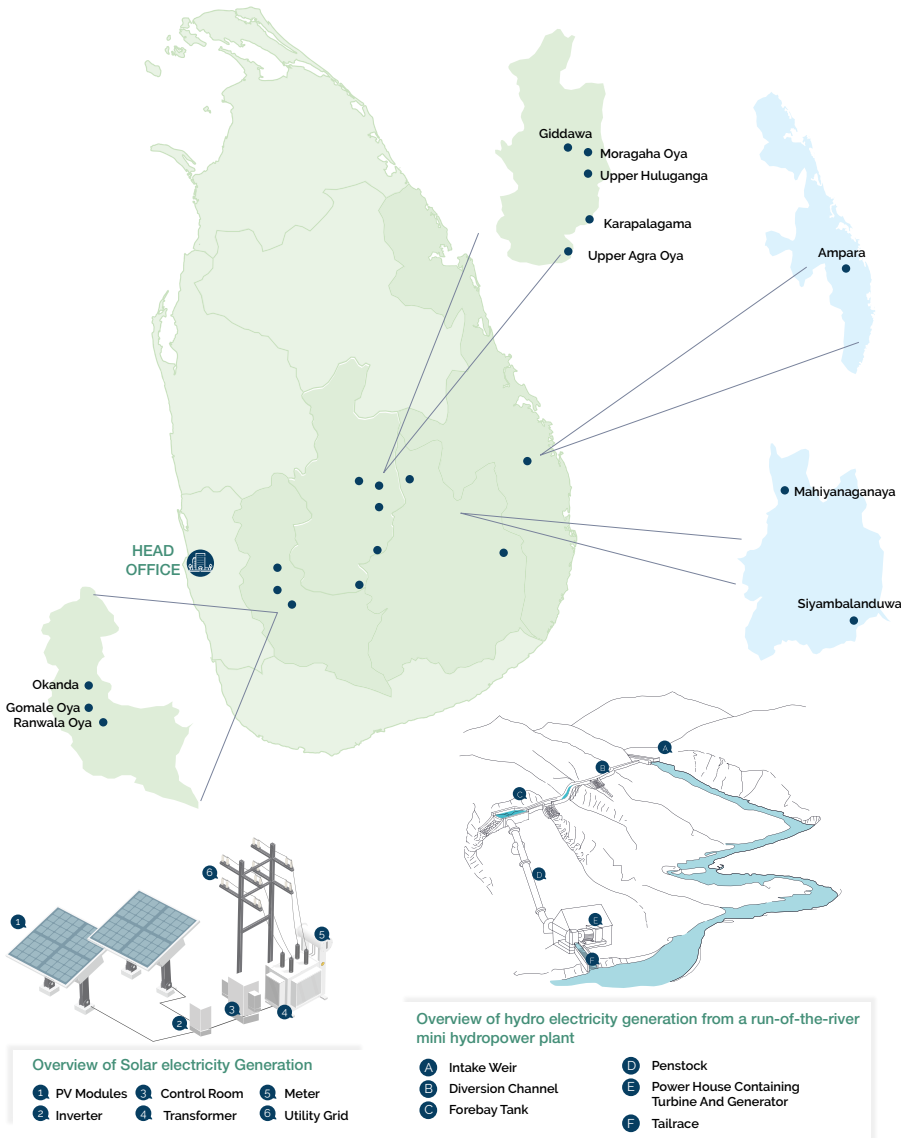
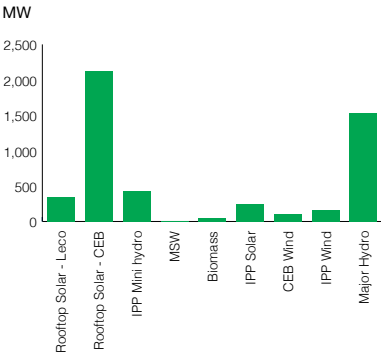
Maintaining a balanced portfolio of hydropower and solar assets enables the Company to mitigate seasonal generation variability while enhancing operational resilience and supporting stable renewable electricity generation throughout the year. All generating facilities are equipped with high quality electromechanical infrastructure and are operated by experienced technical personnel, ensuring high standards of operational reliability, safety and environmental stewardship.

Looking ahead, Resus remains focused on expanding its renewable energy platform through new solar developments, emerging technologies such as battery energy storage systems and selected regional growth opportunities, while continuing to deliver long term value to shareholders and supporting Sri Lanka's transition towards a low carbon economy.

Annual Cumulative Renewable Generation



Renewable Energy Capacity as at 31.12.2025





RESUS HYDRO POWER PROJECTS

Resus Energy PLC operates a portfolio of strategically located mini hydro power plants across Sri Lanka, harnessing the power of flowing water to generate clean, renewable energy. With minimal environmental impact, these facilities delivered a total of 43.75 GWh of electricity this year—contributing meaningfully to the national grid and Sri Lanka's sustainable energy future.



OUR BUSINESS OPERATION



GIDDAWA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	2.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	08/05/2006
Tenure of Renewed SPPA	15 Years
Commissioned	October 2008



Location and Site

Location	Giddawa, Digana
District	Kandy
River	Huluganga
Head	26.3 meters
Land Status	Freehold – 1A-3R-30.90P
Buildings	2
Total Area of Buildings	4,103 sq ft



Equipment & Investment

Invested Capital	Rs. 389 Mn
Turbine Type	Fransis
Turbine Supplier	WKV – Germany
Generator Supplier	Hitzinger – Austria



Operations and Performance

Tariff Type	Avoided cost tariff
Employees	9
Energy Dispatched (GWh)	6.44 (2025 - 8.98)
Plant Factor for the year	37% (2025 - 51%)
Carbon Emission Reduction(t-CO ₂)	4,639 (2025 - 6,472)



UPPER MAGALGANGA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	2.4 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	09/02/2010
Tenure of Renewed SPPA	20 Years
Commissioned	September 2011



Location and Site

Location	Dikkellakanda, Maliboda
District	Kegalle
River	Magalganga
Head	110.0 meters
Land Status	Freehold – 0A-3R-31.83P
Buildings	2
Total Area of Buildings	3,504 sq ft



Equipment & Investment

Invested Capital	Rs. 453 Mn
Turbine Type	Fransis
Turbine Supplier	GHE – Austria
Generator Supplier	Hitzinger – Austria



Operations and Performance

Tariff Type	Cost-based technology-specific fixed tariff (Rs.14.58)
Employees	11
Energy Dispatched (GWh)	7.14 (2025 - 6.94)
Plant Factor for the year	34% (2025 - 33%)
Carbon Emission Reduction(t-CO ₂)	5,145 (2025 - 5,001)

OUR BUSINESS OPERATION



UPPER AGRA OYA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	2.6 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	29/04/2005
Tenure of Renewed SPPA	15 Years
Commissioned	February 2006



Location and Site

Location	Lindula, Thalawakelle
District	Nuwara Eliya
River	Agra Oya
Head	40.0 meters
Land Status	Leasehold from Hatton Plantations PLC
Buildings	2
Total Area of Buildings	5,078 sq ft



Equipment & Investment

Invested Capital	Rs. 345 Mn
Turbine Type	Fransis
Turbine Supplier	Gilkes – UK
Generator Supplier	Alconza – Spain



Operations and Performance

Tariff Type	Avoided cost tariff
Employees	4
Energy Dispatched (GWh)	7.97 (2025 – 7.51)
Plant Factor for the year	35% (2025 - 33%)
Carbon Emission Reduction(t-CO ₂)	5,748 (2025 -5,413)



GOMALE OYA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	1.4 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	28/04/2015
Tenure of Renewed SPPA	20 Years
Commissioned	August 2016



Location and Site

Location	Magala, Maliboda
District	Kegalle
River	Gomale Oya
Head	160.0 meters
Land Status	Freehold – 1A-0R-26.91P
Buildings	2
Total Area of Buildings	2,518 sq ft



Equipment & Investment

Invested Capital	Rs. 276 Mn
Turbine Type	Pelton
Turbine Supplier	Zeco – Italy
Generator Supplier	Marelli Motori – Italy



Operations and Performance

Tariff Type	Cost-based technology-specific three-tier tariff
Employees	6
Energy Dispatched (GWh)	2.75 (2025 – 1.76)
Plant Factor for the year	22% (2025 - 14%)
Carbon Emission Reduction(t-CO ₂)	1,982 (2025 - 1,272)

OUR BUSINESS OPERATION



MORAGAHA OYA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	1.5 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	28/04/2015
Tenure of Renewed SPPA	20 Years
Commissioned	March 2017



Location and Site

Location	Panvila, Theldeniya
District	Kandy
River	Moragaha Oya
Head	78.7 meters
Land Status	Leasehold
Buildings	1
Total Area of Buildings	1,520 sq ft



Equipment & Investment

Invested Capital	Rs. 378 Mn
Turbine Type	Fransis
Turbine Supplier	Gugler – Austria
Generator Supplier	Marelli Motori – Italy



Operations and Performance

Tariff Type	Cost-based technology-specific three-tier tariff
Employees	9
Energy Dispatched (GWh)	4.55 (2025: 5.59)
Plant Factor for the year	35% (2025: 43%)
Carbon Emission Reduction(t-CO ₂)	3,281 (2025: 4,027)



RANWALA OYA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	1.2 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	06/08/2010
Tenure of Renewed SPPA	20 Years
Commissioned	November 2018



Equipment & Investment

Invested Capital	Rs. 378 Mn
Turbine Type	Fransis
Turbine Supplier	Lanzu International – China
Generator Supplier	Lanzu International – China



Location and Site

Location	Maliboda, Deraniyagala
District	Kegalle
River	Ranwala Oya
Head	50.0 meters
Land Status	Leasehold
Buildings	1
Total Area of Buildings	2,600 sq ft



Operations and Performance

Tariff Type	Cost-based technology-specific fixed tariff (Rs.14.58)
Employees	7
Energy Dispatched (GWh)	3.30 (2025: 3.48)
Plant Factor for the year	31% (2025: 33%)
Carbon Emission Reduction(t-CO ₂)	2,382 (2025: 2,509)

OUR BUSINESS OPERATION



UPPER HULUGANGA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	2.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	01/10/2015
Tenure of Renewed SPPA	20 Years
Commissioned	July 2017



Location and Site

Location	Panvila, Theldeniya
District	Kandy
River	Huluganga
Head	63.8 meters
Land Status	Leashold
Buildings	1
Total Area of Buildings	1,432 sqft



Equipment & Investment

Invested Capital	Rs. 365 Mn
Turbine Type	Fransis
Turbine Supplier	Zeco – Italy
Generator Supplier	Marelli Motori – Italy



Operations and Performance

Tariff Type	Cost-based technology-specific three-tier tariff
Employees	8
Energy Dispatched (GWh)	5.81 (2025: 5.47)
Plant Factor for the year	33% (2025: 31%)
Carbon Emission Reduction(t-CO ₂)	4,190 (2025: 3,945)



KARAPALAGAMA MINI HYDRO POWER PROJECT



Project Snapshot

Capacity	2.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	05/03/2012
Tenure of Renewed SPPA	20 Years
Commissioned	May 2021



Location and Site

Location	Walapane, Nildandahinna
District	Nuwara Eliya
River	Madulla Oya
Head	69.0 meters
Land Status	Leashold
Buildings	2
Total Area of Buildings	2,746 sqft



Equipment & Investment

Invested Capital	Rs. 778 Mn
Turbine Type	Fransis
Turbine Supplier	Lanzu International – China
Generator Supplier	Lanzu International – China



Operations and Performance

Tariff Type	Cost-based technology-specific three-tier tariff
Employees	8
Energy Dispatched (GWh)	5.79 (2025: 6.96)
Plant Factor for the year	33% (2025: 40%)
Carbon Emission Reduction(t-CO ₂)	4,170 (2025: 5,015)

OUR BUSINESS OPERATION



RESUS SOLAR POWER PROJECTS

Harnessing the power of the sun, Resus Energy PLC’s solar projects are advancing Sri Lanka’s clean energy future. During the year, our solar plants produced 20.95 GWh of electricity—delivering zero-emission energy through efficient, grid-connected systems in high-insolation regions.





RESUS SOLAR POWER PROJECT – SIYAMBALANDUWA



Project Snapshot

Capacity	2.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	13/03/2019
Tenure of Renewed SPPA	20 Years
Commissioned	September 2020



Location and Site

Location	Mahakalugolla, Siyambalanduwa
District	Monaragala
Grid	Ampara



Equipment & Investment

Invested Capital	Rs. 306 Mn
Solar Panels	Trina Solar – Singapore
Inverters	Sungrow – India
Transformers	SRS International Pvt Ltd



Operations and Performance

Tariff Type	Fixed technology-specific tariff (Rs.18.09 & Rs.18.19)
Employees	5
Energy Dispatched (GWh)	2.68 (2025: 3.20)
Plant Factor for the year	15% (2025: 18%)
Carbon Emission Reduction (t-CO ₂)	1,935 (2025: 2,308)

OUR BUSINESS OPERATION



RESUS SOLAR POWER PROJECT - MAHIYANGANAYA



Project Snapshot

Capacity	6.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	06/04/2022
Tenure of Renewed SPPA	20 Years
Commissioned	April 2022



Location and Site

Location	Welampala, Rideemaliyadda, Mahiyanganaya
District	Badulla
Grid	Mahiyanganaya



Equipment & Investment

Invested Capital	Rs. 1,033 Mn
Solar Panels	JA Solar International Limited- China
Inverters	Huawei Technologies Co. Ltd
Transformers	LTL Transformers Pvt Ltd



Operations and Performance

Tariff Type	Cost-based fixed tariff
Employees	7
Energy Dispatched (GWh)	9.23 (2025: 10.56)
Plant Factor for the year	18% (2025: 20%)
Carbon Emission Reduction(t-CO ₂)	6,655 (2025: 7,611)



RESUS SOLAR PROJECT – SIYAMBALANDUWA (AMPARA)



Project Snapshot

Capacity	1.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	18/09/2023
Tenure of Renewed SPPA	20 Years
Commissioned	September 2023



Equipment & Investment

Invested Capital	Rs. 263 Mn
Solar Panels	JA Solar International Limited– China
Inverters	Huawei Technologies Co. Ltd
Transformers	LTL Transformers Pvt Ltd



Location and Site

Location	Mahakalugolla, Siyambalanduwa
District	Monaragala
Grid	Ampara



Operations and Performance

Tariff Type	Fixed tariff – Rs.13.92
Employees	5
Energy Dispatched (GWh)	1.59 (2025: 1.83)
Plant Factor for the year	18% (2025: 20%)
Carbon Emission Reduction(t-CO ₂)	1,145 (2025: 1,318)

OUR BUSINESS OPERATION



RESUS SOLAR POWER PROJECT – AMPARA 5MW



 Project Snapshot	
Capacity	5.0 MW
Status	Operational
Date of Standardized Power Purchase Agreement (SPPA)	18/02/2021
Tenure of Renewed SPPA	20 Years
Commissioned	March 2025

 Location and Site	
Location	Neeththa, Damana
District	Ampara
River	Ampara

 Equipment & Investment	
Invested Capital	Rs. 750 Mn
Solar Panels	Jinko Solar / DAS Solar
Inverters	Huawei Technologies Co. Ltd
Transformers	LTl Transformers Pvt Ltd

 Operations and Performance	
Tariff Type	Fixed tariff - Rs. 14.42
Employees	9
Energy Dispatched (GWh)	7.45
Plant Factor for the year	17%
Carbon Emission Reduction(t-CO ₂)	5,367



RESUS SOLAR POWER PROJECT – AMPARA 2MW



Project Snapshot

Capacity	2.0 MW
Status	Construction Completed
Date of Standardized Power Purchase Agreement (SPPA)	11/11/2025
Tenure of Renewed SPPA	20 Years



Equipment & Investment

Invested Capital	Rs. 300 Mn
Solar Panels	GCL System Integration Technology Pte., Ltd
Inverters	Sungrow Power Supply Co., Ltd
Transformers	Lanzu International – China



Location and Site

Location	Neeththa, Damana
District	Ampara
Grid	Ampara

CREATING SHARED VALUE



Value Created for our Key Stakeholders

Other Impacts



SHAREHOLDERS

NPAT Rs. 180.30 Mn	Shareholder funds Rs. 2,591.82 Mn	Dividend Paid Rs. 64.61 Mn
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LENDERS

Borrowings Rs. 4,268.23 Mn	Capital Repayments Rs. 865.11 Mn	Interest Paid Rs. 322.80 Mn
-------------------------------	-------------------------------------	--------------------------------



CUSTOMERS

Generation 64.70 GWh



SUPPLIERS

Supplier payments to civil contractors Rs. 4,268.23 Mn	Contracts signed with overseas suppliers Rs. 236.30 Mn
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EMPLOYEES

Total Training Hours 316	Employee benefits Rs. 144.16 Mn	Internal promotions 5	Recognitions at annual awards ceremony 6
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REGULATORS

Taxes paid Rs. 64.58 Mn



SOCIETY AND ENVIRONMENT

Employment opportunities to villagers 70	Community development Rs. 0.8 Mn
--	--

Economic



FINANCIAL
CAPITAL



MANUFACTURED
CAPITAL

Social



SOCIAL AND
RELATIONSHIP
CAPITAL



HUMAN
CAPITAL



INTELLECTUAL
CAPITAL

Environmental



ENVIRONMENTAL
CAPITAL

CONNECTING WITH STAKEHOLDERS

Active stakeholder engagement plays a crucial role in driving sustainability and shaping our approach to our resources in order to create value. The needs and expectations of stakeholders, as identified through the engagement process, significantly influence our strategic decision-making. We prioritize input to determine our direction.

We have put in place several procedures to successfully fulfill stakeholder expectations and promote a good impact through our business conduct. These consist of a moral code of conduct for business, a system for managing the environment, efficiently organized operations for managing finances and human resources, and efficient management. By taking these steps, we can make sure that we listen to the needs and goals of our stakeholders and that our business practices improve their quality of life.

MANAGEMENT APPROACH FOR STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

At the planning stages of our projects, our project team diligently identifies all stakeholders involved. This process is a fundamental element of our in-house project management manual. We firmly believe that maintaining an open and constructive dialogue with our stakeholders is essential.

Engaging in ongoing communication allows us to gain a comprehensive understanding of their expectations, which, in turn, contributes to effective risk management, learning, and innovation within our projects. By actively involving stakeholders, we can identify and address emerging issues and seize opportunities for improved performance.

While we interact with a diverse range of stakeholders, we prioritize establishing a robust and consistent engagement process with those who have a critical impact on our business. This targeted approach ensures that we establish strong relationships with key stakeholders and align our efforts to meet their needs and expectations effectively.

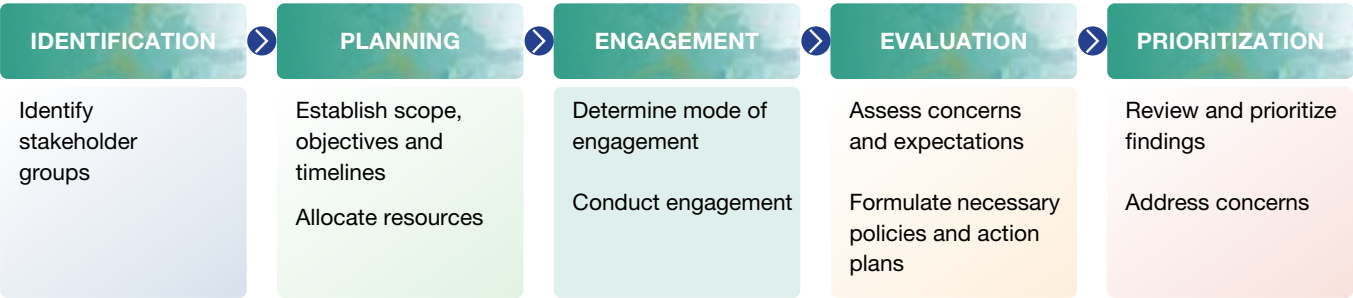
Stakeholder expectations are identified using the data collected from various stakeholder groups from initial engagements and based on their past experiences. Then the identified stakeholders are ranked based on the following criteria;

- Parties likely to be affected by operations of Resus
- Parties who have responsibilities towards Resus
- Parties likely to influence Resus’s operations

Based on the above aspects, the main stakeholders identified are;

- **Shareholders** - Equity Partners and Public Shareholders
- **Lenders** - Banks and Financial Institutions
- **Customers** - Ceylon Electricity Board
- **Employees**
- **Suppliers** - Electromechanical Equipment Suppliers and Civil Contractors
- **Society**
- **Regulators** - Government Institutions and Agencies
- **Environment**

We maintain formal communication mechanisms with all groups of stakeholders on a periodic basis with a view to identifying stakeholder expectations and assess the outcomes of its engagement.





EQUITY PARTNERS AND PUBLIC SHAREHOLDERS	BANKS AND FINANCIAL INSTITUTIONS	CEYLON ELECTRICITY BOARD	EMPLOYEES
Frequency of Engagement Annually, Quarterly and Regularly	Frequency of Engagement As required	Frequency of Engagement Regularly	Frequency of Engagement Regularly
Engagement Methods - Board meetings among representative members of main equity partners - Annual general meeting - Announcements and financial publications on the CSE website	Engagement Methods - Announcements and financial publications on the CSE website - Performance updates via submission of monthly, quarterly and annual financials for facility reviews - Meetings and discussions	Engagement Methods - Build close rapport with senior officials at CEB - Regular engagement in relationship management activities - Compliance with provisions in Standardised Power Purchase Agreements	Engagement Methods - Management meetings and internal communications - Strategic planning sessions - Annual and semi-annual performance review meetings - HR clinics at plant sites - Mentoring and counselling
Discussion Topics - Business plan and strategic direction - Business performance drivers and sustainability - Governance and Ethics - Return on Investment and Risk Management	Discussion Topics - Project financing - Debt service coverage - Banking transactions - Business performances - Loan covenants	Discussion Topics - New project approvals - Grid connection proposals - Projects commissioning and transmission - Settlement for electricity units dispatched at applicable tariff rates	Discussion Topics - Remuneration and annual goal setting - Staff welfare - Employee relationship management - Training and development - Occupational health and safety
Our Response Creating Economic Value Added (EVA) to our shareholders by undertaking projects with high Internal Rate of Return and appropriate risk management measures	Our Response - Strict monitoring of compliance with provisions in loan agreements - Audit committee review of any non-compliance - Timely settlement of dues	Our Response Submitting invoices in accordance with agreed specifications in Standardised Power Purchase Agreement (SPPA)	Our Response - On the job training - Imparting company values - Platforms for employee feedback - Performance driven reward systems - Health & safety initiatives - Open door policy

CONNECTING WITH STAKEHOLDERS



ELECTRO MECHANICAL EQUIPMENT SUPPLIERS AND CIVIL CONTRACTORS	SOCIETY	GOVERNMENT INSTITUTIONS AND AGENCIES	NATURAL ENVIRONMENT
Frequency of Engagement As required	Frequency of Engagement Regularly	Frequency of Engagement Regularly	Frequency of Engagement Regularly
Engagement Methods • Procurement policies • Engineering standards • Contractual obligations • Supplier Assessments- labour practices, environmental and social impacts • Adherence to civil construction contracts and timely settlements	Engagement Methods • Needs and requirements of society • CSR activities • Ethical business conduct	Engagement Methods • Project approvals • Adherence to guidelines of project approvals • Governance and Ethics	Engagement Methods • Environmental management • Water • Generation of clean and green energy • Compliance and conservation • Emissions and waste
Discussion Topics • On-site visits to electromechanical equipment suppliers • Regular invitations for bids for supply and construction contracts of hydropower projects Adherence to terms and conditions in supply agreements	Discussion Topics • Close contact with opinion leaders in immediate local communities of project sites • Scoping committee meetings before starting projects • Focus group meetings • Community development • Employment to villagers	Discussion Topics • Close engagement with senior officials of government institutions • Venturing with government agencies for good causes • Submission of special reports as per requirements	Discussion Topics • Develop projects under strict environmental regulations • In-house Environmental Management System to ensure compliance • Carry out projects with minimum destruction to the environment • Engage in environmental development programmes
Our Response • Mutual benefits through sharing of information • Obtaining references and guarantees provided for the goods supplied • Construction agreements signed according to ICTAD guidelines	Our Response • Build, own and operate projects within our ethical code of conduct and deliver promises as a responsible corporate citizen • Strive to reach the best solution with local communities to improve their life styles through generous sponsorships	Our Response • Regular review of compliance with government approvals and report any non-compliances to the Audit Committee • Timely payment of all statutory dues	Our Response • Regularly monitoring compliance • Periodical noise level and water quality testing • Preventive and corrective measures to minimize negative externalities

DETERMINING MATERIALITY

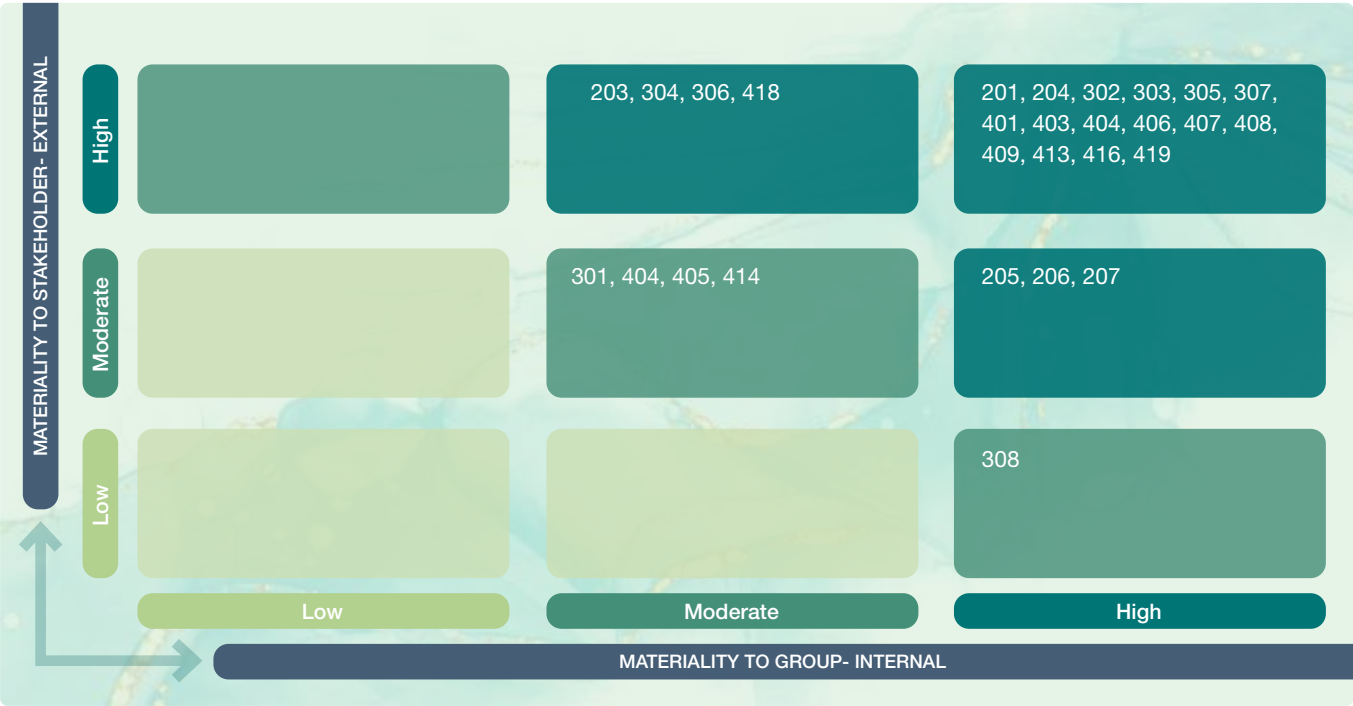
Material matters are those that significantly influence how our stakeholders assess and make decisions regarding our dedication to sustainability and their requirements. These significant aspects play a crucial role in shaping our strategic planning and operations, ultimately helping us achieve our strategic goals. The process of evaluating materiality is undertaken to address issues according to their potential impact on our ability to generate value throughout the value chain. As stakeholders’ needs continue to evolve, it’s imperative that our responses also adapt over time.

This report serves as a primary means to convey the Group’s actions in response to stakeholder concerns over the financial year. Identifying key sustainability-related risks, important stakeholders, evaluating material topics based on their relevance to both the Group and stakeholders, and devising management approaches to tackle these topics are all integral parts of shaping this report.

Throughout the year, material matters that emerged were correlated with the subjects outlined in the GRI standards. After this correlation and reconciliation process, issues not directly aligned with the GRI standards were also incorporated as independent material topics. Subjects with lower material significance have not been included in the report. The management approach towards GRI topics considered material to both stakeholders and the Group is presented within each relevant section. Notably, there have been no revisions or notable alterations in the list of material topics and their boundaries in comparison to the 2024 report.



The process for identifying and prioritizing material issues is as follows



RESUS STRATEGY

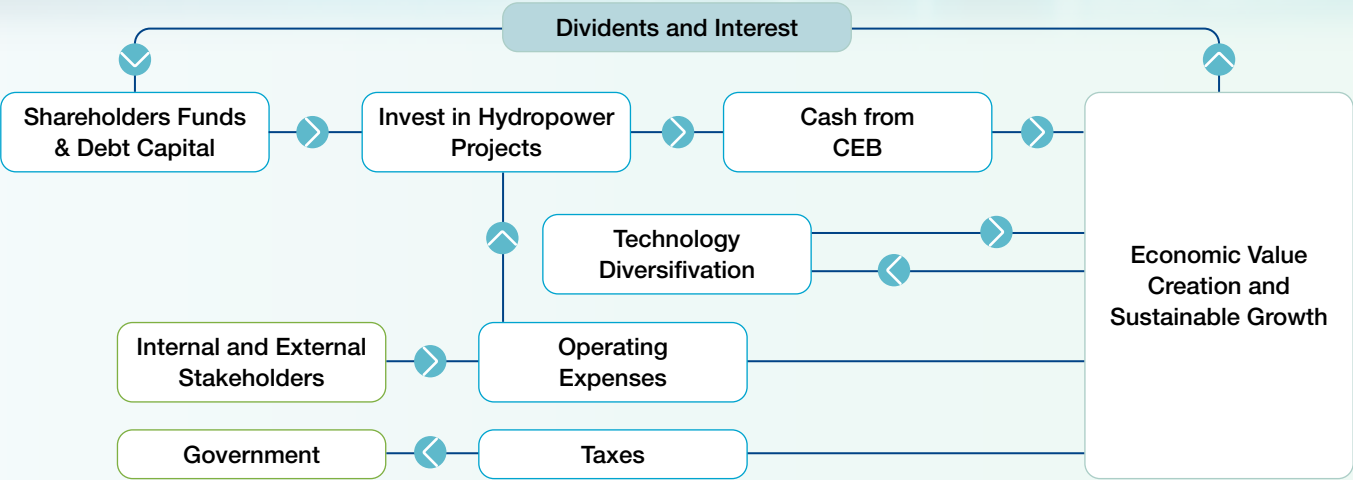
Resus Energy PLC’s strategic blueprint extends from our overarching vision, mission, and values. The company maintains a keen awareness of its actions, aligning them with the strategy to create value for shareholders in a sustainable manner, all the while fulfilling the requirements of other stakeholders.



FINANCIAL CAPITAL



Financial capital remains the foundation of Resus Energy PLC's strategy, providing the resources needed to fund operations, sustain our renewable energy asset base and support disciplined growth. Throughout the year, we have focused on maintaining a resilient capital structure, optimizing cash flows, and allocating resources effectively to support long-term value creation. Our disciplined financial management has strengthened our ability to withstand external challenges while positioning us for future growth and innovation.



At Resus Energy PLC, we remain committed to delivering long-term value to our shareholders while aligning with Sri Lanka's energy transition goals. Our financial strategy continues to balance growth, prudent capital management and sustainability to ensure resilience through changing market conditions.

AN OVERVIEW OF FINANCIAL PERFORMANCE

The Group's revenue declined by 19% to Rs. 1,010 million, while profit before tax decreased by 49% to Rs. 188 million. This decline was primarily attributable to adverse weather conditions, damage caused by the Ditwah cyclone, and

generation curtailments. Despite these challenges, profit after tax declined by a more moderate 16% to Rs. 180 million, supported by a significantly lower tax charge during the year.

During the year, the Group benefited from the first full year of generation and revenue from its 5 MW solar power plant

FINANCIAL
CAPITAL

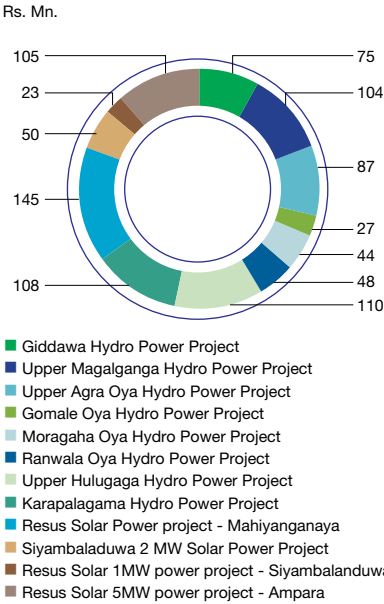
in Damana, Ampara District, which was commissioned in the previous financial year. With this addition, Resus Energy now operates 12 utility-scale renewable energy plants across Sri Lanka. Resus continues to advance its growth pipeline, with a 1 MW solar project in Pallekele and its first proposed international project in East Africa, progressing through the final stages of development and approvals. The Group's aggregate installed capacity currently stands at 30 MW and is expected to increase to 32 MW upon the completion of the 2 MW solar project in Ampara, which is now nearing completion.

The Rs. 1 billion listed, rated, senior unsecured redeemable Green Bond issued in June 2025 continued to support the financing of new solar projects and the refinancing of existing debt during the year. During the year, the Company also completed a share subdivision on the basis of one (1) existing voting ordinary share being subdivided into five (5) ordinary shares, enhancing share liquidity and improving accessibility for a broader investor base.

Generation performance nevertheless remained resilient, with total electricity generated across the Group's portfolio increasing by 4% to 64.7 GWh, supported by the first full year of operation of the new 5 MW Damana solar plant. The Group continued to maintain a disciplined approach to capital allocation, funding growth while managing its capital structure prudently amid a moderate increase in gearing.

Area	Measure	2025/2026	2024/2025
Revenue	Turnover (Rs.Mn)	1,010	1,241
Profitability	Profit (Rs.Mn)	157	215
	Gross Profit Margin (%)	67%	69%
	Net profit Margin (%)	16%	17%
Working Capital Management	Current Ratio (Times)	0.58	0.37
Assets Utilization	Fixed Asset Turnover (Times)	0.14	0.19
Capital Structure	Gearing (%)	64%	59%
Investor Measures	EPS (Rs.)	0.36	0.50
	Dividend Payout Ratio	41%	40%
Growth	Capex as a % of TA	7.2%	9.5%

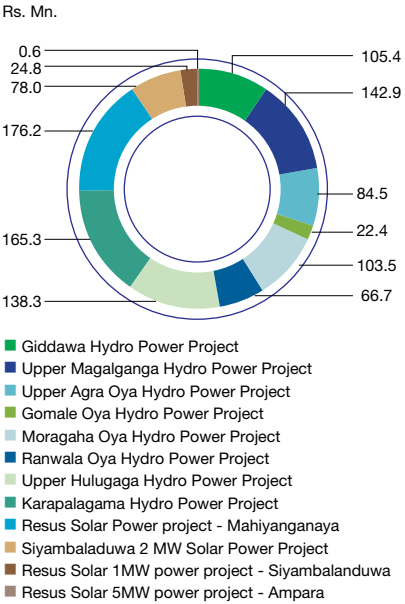
Group Revenue 2025/26



REVENUE

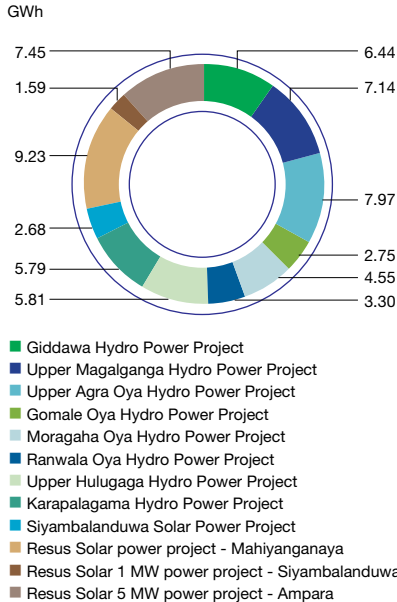
During the year under review, the Group's performance moderated following two years of strong growth, with revenue and profitability easing from the elevated levels recorded in FY2024/25. Group revenue decreased by 19% to Rs. 1,010 million, compared

Group Revenue 2024/25



with Rs. 1,241 million in the previous year. This decline was primarily driven by the non-recurrence of the one-off delayed payment interest recovery from the Ceylon Electricity Board ("CEB") recognized in the prior year, a lower contribution from the Consultancy & Engineering Services segment,

Electricity Generated 2025/26

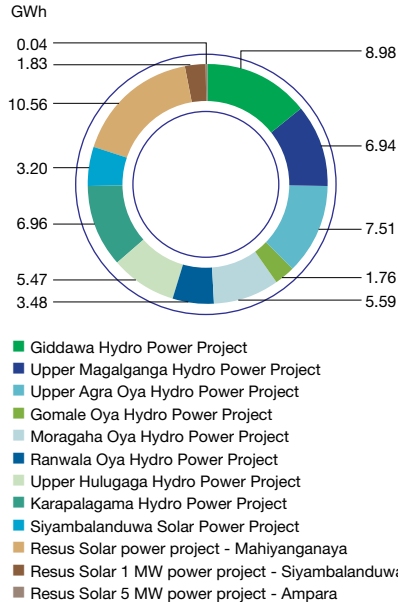


generation curtailments, and reduced output from several of the Group's hydro power plants due to the impact of the Dittwah cyclone. These were partly offset by the first full year of revenue from the new Damana solar plant.

Despite the softer revenue outturn, the Group's underlying generation performance was resilient. Total electricity generated across the portfolio increased by 4% to 64.7 GWh to the last financial year of 62.3 GWh. Generation from our solar plants rose by approximately 34% to 21 GWh, largely reflecting the addition of Damana 5 MW, while generation from our hydro plants eased by approximately 6% to 43.8 GWh amid varying rainfall patterns across catchment areas.

The Group's revenue portfolio remains geographically diversified, with the Mahiyananaya Solar Power Project and the Damana Solar Power Project

Electricity Generated 2024/25



together contributing the largest share of total revenue for the first time, reflecting the growing weight of solar generation in the portfolio. Among the hydro plants, Upper Hulugaga, Karapalagama and Upper Magalganga recorded the highest revenue contributions.

Our Consultancy & Engineering Services segment generated Rs. 82 Mn, driven by an increased pipeline of contracted projects and the successful execution of engineering deliverables.

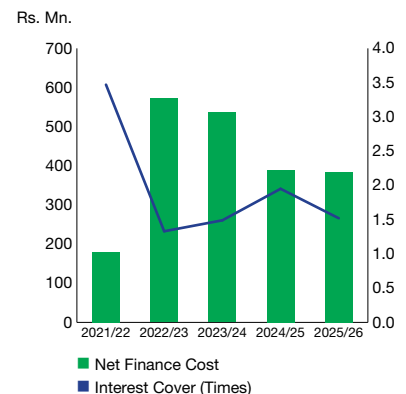
Recent improvements in CEB's collection processes and internal restructuring have led to a significant reduction in invoice settlement delays. Looking ahead, the Group's continued focus on asset optimization, the ramp-up of newly commissioned capacity and the resolution of legacy CEB receivables is expected to support a more stable revenue base going forward.

NET FINANCE COST

The Group's net finance cost remained broadly stable at Rs. 399 Mn, marginally higher than Rs. 390 Mn in the previous year, despite a 29% increase in total borrowings to Rs. 4,653 Mn (FY2024/25: Rs. 3,597 Mn). The increase in borrowings was primarily driven by the Rs. 1 billion Green Bond issuance, the issuance of commercial papers, and funding requirements associated with the Group's ongoing development pipeline. The stability in finance cost, despite the higher debt quantum, reflects the upward movement in Sri Lanka's average weighted prime lending rate (AWPLR) during the year being broadly offset by the benefit of refinancing certain facilities at more competitive terms and the capitalization of interest directly attributable to assets under construction. As a result, the interest cover ratio moderated to 1.5 times (FY2024/25: 1.9 times).

According to Sri Lanka Accounting Standards, the interest directly attributable to construction has been capitalized as part of the project cost. A detailed breakdown of the group's borrowings can be found in note 12 of the financial statements.

Group Net Finance Cost and Interest Cover



FINANCIAL CAPITAL

TAXATION

The Group's tax expense for the year, comprising income tax and deferred tax, decreased significantly to approximately Rs. 30 Mn, compared to Rs. 155 Mn in the previous year, reflecting the lower level of taxable profits generated during the year and movements in deferred tax balances across Group companies. A reconciliation of the accounting profit with the tax expense is provided in note 22 of the financial statements.

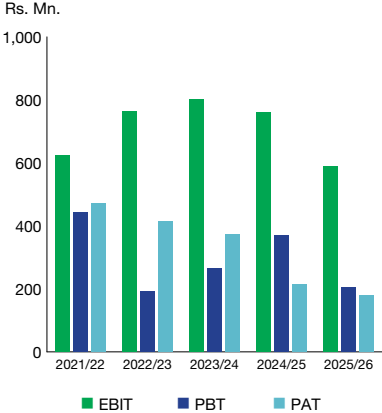
Resus Solar (Pvt) Ltd qualified for an enhanced capital allowance under the Inland Revenue Act No. 24 of 2017, leading to significant tax losses and the subsequent deferred tax reversal in the previous financial year. None of the group companies were required to pay Value Added Tax (VAT) under the current provisions.

Detailed information about the tax rates and concessions for each power plant is available on page 141 in note 3.4 of the financial statements.

PROFITABILITY

The Group's operating profit (EBIT) decreased by 23% to Rs. 587 million, compared with Rs. 760 million in the previous year, largely reflecting lower generation due to adverse weather conditions and curtailments, along with an increase in administrative costs. Profit before tax declined by 49% to Rs. 188 million (FY2024/25: Rs. 370 million), as the decline in operating profit was only partially offset by broadly stable net finance costs. Profit after tax declined by a more moderate 27% to Rs. 157 million, compared with Rs. 212 million in the previous year, with the impact of lower operating performance partly mitigated by a substantially lower tax charge during the year.

Earnings



GROWTH PERSPECTIVE

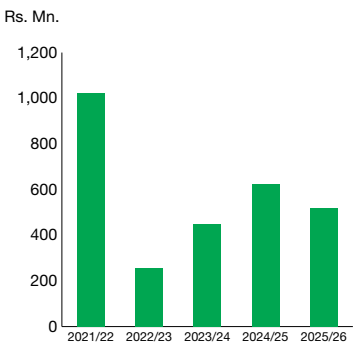
Resus Energy PLC remains committed to disciplined and sustainable growth, focused on optimising the performance of its existing assets while expanding its renewable energy footprint. During the year, the Group completed and commissioned the 5 MW Damana solar plant, which contributed a full year of generation. With the completion of the 2 MW Ampara solar project, which is now nearing completion, the Group's total installed capacity is expected to increase to 32 MW. The Group also continued the development of the 1 MW Pallekele solar project, which is expected to further enhance capacity in the coming financial years. The Group's proposed first project in East Africa remains under the approval process, representing a continued step towards geographic diversification.

Resus Engineering continues to expand its service offerings and pursue new partnerships, while the Group remains an active participant in ongoing tenders, Battery Energy Storage System (BESS) opportunities, and feed-in tariff proposals. Strategic priorities for the year ahead remain focused on margin enhancement, cost optimization, and productivity improvement.

INVESTMENTS AND CAPITAL EXPENDITURE

Capital expenditure for the year decreased by 11% to Rs. 553 million (FY2024/25: Rs. 622 million), reflecting the substantial completion of the 5 MW Damana solar plant and the 2 MW Ampara solar project. In addition, the Company invested in preconstruction work in a 1MW solar power project in Pallekele.

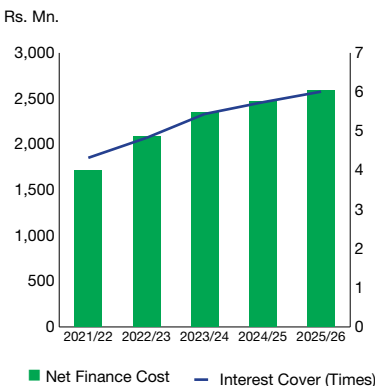
Capital Expenditure



NET ASSETS PER SHARE

Net assets per share increased by approximately 4% during the year, rising to approximately Rs. 6.0 from Rs. 5.7 in the previous financial year, driven primarily by the retention of profits generated during the year. Despite the distribution of a cash dividend of Rs. 0.15 per share, the Group's retained earnings increased to Rs. 1.594 Bn from Rs. 1.498 Bn reflecting a balanced retention policy.

Equity and Net Assets Per Share



CASH AND CASH EQUIVALENTS

The Group's cash position strengthened materially during the year, with surplus cash of Rs. 618 Mn as at 31st March 2026, compared to Rs. 64 Mn as at 31st March 2025. The Group remains focused on maintaining adequate liquidity to support its ongoing development pipeline and to manage debt service obligations prudently.

CAPITAL STRUCTURE

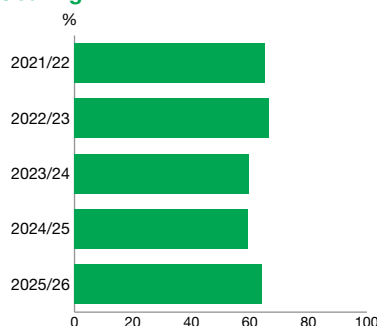
Shareholders' Funds

Resus Energy PLC remains committed to maintaining a resilient and strategically balanced capital structure that supports growth while maximizing shareholder value. Funds attributable to the Company's equity shareholders grew by 4% to Rs. 2,569 Mn, up from Rs. 2,472 Mn in the previous year, driven primarily by profits retained during the year.

Gearing

As at the reporting date, the Group's total assets were financed by 36% equity and 64% debt. The Group's gearing ratio increased to 64%, compared to 59% in the previous financial year, reflecting the higher level of borrowings drawn during the year, including the green bond proceeds and facilities associated with the Damana plant and ongoing development pipeline.

Gearing

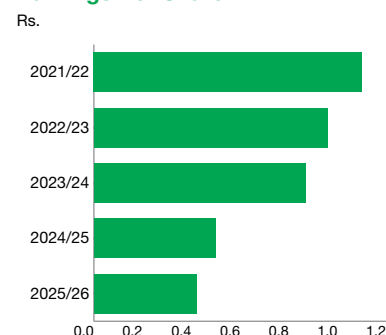


SHAREHOLDER RETURNS

Earnings Per Share

The Group's earnings per share for the year under review was Rs. 0.36, a decline of approximately 27% compared to Rs. 0.50 in the previous year, in line with the reduction in profit for the year. The dividend payout ratio for the year was 41%.

Earnings Per Share



ECONOMIC VALUE ADDED (EVA)

Economic Value Added is a financial performance metric that calculates the value a company generates from its invested capital. EVA is essentially the net profit a company earns above the minimum required return for its shareholders. This measure assesses the company's ability to create value for its investors.

EVA = NET OPERATING PROFIT AFTER TAX – CAPITAL CHARGE

Economic profits mean the additional returns earned over and above the expected rate of return by the shareholders on their invested capital in the business. Economic profits attributable to the shareholders for the financial year under review stood at a negative Rs. 28 Mn. The Board and management continue to monitor the ramp-up of newly commissioned capacity, which is expected to support a recovery in returns on invested capital going forward.

As at 31st March	Group	
	2025/2026	2024/2025
	Rs. Mn	Rs. Mn
Total long-term interest-bearing debt	2,622	2,372
Total short-term interest-bearing debt (current portion of interest-bearing debt)	1,646	1,014
Bank overdraft	388	212
Total Debt	4,656	3,597
Surplus cash	618	64
Net debt/(cash)	4,038	3,534
Equity attributable to equity holders of the Parent	2,569	2,469
Non-controlling interest	-	-
Total equity	2,569	2,469
Capital employed (total debt + total equity)	7,225	6,067
Capital employed less surplus cash	6,607	6,003
Total gearing (total debt / capital employed)	64.4%	59.3%
Net gearing (net debt/capital employed less surplus cash)	61.1%	58.9%

FINANCIAL
CAPITAL

As at 31st March	2025/26	2024/25	2023/24	2022/23	2021/22
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Net Operating Profit After Tax (NOPAT)	561	602	909	953	653
Capital Charge	589	570	736	975	548
EVA	(28)	32	173	(23)	105
NOPAT return on Capital Invested	8.45%	10.15%	15.45%	15.96%	15.71%
Hurdle Rate of Return – WACC	8.86%	9.61%	12.51%	16.34%	13.19%
Value Added/(Shortfall)	-0.42%	0.54%	2.95%	-0.38%	2.53%

EMPLOYEE RELATED STATUTORY PAYMENTS

The Group made the following statutory payments in relation to its employees on or before their respective due dates during the year. The Group's headcount increased to 115 employees as at the year end, supporting the operation of the newly commissioned Damana plant and continued growth of the Consultancy & Engineering Services segment.

Group			
	2025/26	2024/25	2023/24
EPF	26.85	22.85	21.84
ETF	3.28	2.87	2.65
PAYE	15.39	14.90	15.47
SD	0.04	0.03	0.03
Gratuity	0.42	3.39	0.48

ENVIRONMENTAL BENEFITS

The Group's renewable energy sources reduce greenhouse gas emissions and pollution, supporting public health and, indirectly, productivity across the economy.

COST SAVINGS

As a renewable energy supplier, the Group contributes to lower energy costs for consumers and businesses over time, given the low marginal cost of solar and hydro power relative to fossil fuels.

RURAL DEVELOPMENT

All of the Group's hydro and solar plants are located in rural areas, contributing to infrastructure improvements, job opportunities and economic development in these regions.

ADHERENCE TO SET STANDARDS

We comply with the regulations and guidelines established by project approving agencies and also self-monitor to ensure progress aligns with our own environmental management plan, promoting environmentally friendly practices.

RESUS'S IMPACT ON THE ECONOMY

Resus Energy PLC continues to contribute to the Sri Lankan economy in the following ways:

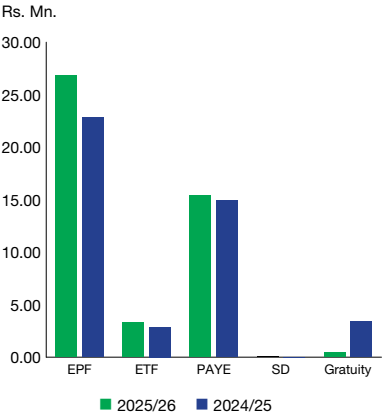
JOB CREATION

By developing and maintaining hydro and solar power projects, the Group creates employment opportunities, from the construction phase through to ongoing operations and maintenance.

ENERGY SECURITY

By diversifying the energy mix and reducing reliance on imported fossil fuels, the Group contributes to national energy security and stability.

Employee Related Statutory
Payments



INVESTMENT IN HYDROPOWER AND SOLAR PROJECTS

As at 31 March 2026, the Group's cumulative net investment in the renewable energy sector totaled Rs. 5.4 bn. During the year, the Group invested approximately Rs. 448 Mn in the development and construction of its hydropower and solar plants (compared to Rs. 326 million in 2025), with the reduction reflecting the substantial completion of the Ampara 2 MW plant during the year.

STATEMENT OF FINANCIAL VALUE ADDED

The table below illustrates how the Group distributed the financial value it created among its various stakeholders during the year.

As at 31st March	Group			
	2025/2026		2024/2025	
	Rs. Mn	%	Rs. Mn	%
Revenue	1,010		1,241	
Other Income	49		21	
Less: Operating Costs - cost of goods and services bought in	(109)		(85)	
Total Value Added	951	100%	1,177	100%
Distribution of Value Added:				
Employees	141	15%	136	12%
Government	42	4%	57	5%
Lenders	395	42%	370	31%
Community	1	0%	1	0%
Shareholders	65	7%	86	7%
Depreciation set aside	147	15%	130	11%
Economic Value Retained	161	17%	397	34%
Total Value Added	951	100%	1,177	100%
Number of employees	115		103	
Value Added per employee	8		11	

MARKET CAPITALISATION

As of March 31, 2026, our market capitalization was Rs. 4,093,779,283. For the full year under review, the group reported revenue of Rs. 1.0 billion, net income of Rs. 157 million, and basic earnings per share from continuing operations of Rs. 0.36.

CREDIT RATINGS

During the year, Fitch Ratings affirmed Resus Energy PLC's National Long-Term Rating of A-(lka) with a Stable Outlook. Fitch Ratings also affirmed the A- (lka) rating on the Group's Rs. 1 billion senior listed unsecured redeemable Green Bonds.

FINANCIAL CAPITAL

KEY ECONOMIC PARAMETERS AND THEIR IMPACT ON RESUS

The following economic parameters can significantly impact on the performance of Resus Energy PLC.

Exchange Rate

The Sri Lankan Rupee depreciated modestly by approximately 6% against the US Dollar during the year, reaching Rs. 315.19 per US Dollar as at 31st March 2026.

Impact on Resus	Impact Management
A weaker Rupee increases the cost of imported solar equipment and components and increases the Rupee cost of servicing any foreign-currency-linked obligations.	- Monitor exchange rate trends regularly and align procurement plans accordingly. - Adjust the timing of payments to take advantage of favorable exchange rates. - Consolidate multiple transactions into a single net transaction to reduce exposure. - Maintain foreign currency deposits to benefit from fluctuations.

Interest Rate

Following the introduction of the Overnight Policy Rate (OPR), the OPR was maintained at 7.75% throughout the year. Meanwhile, the Average Weighted Prime Lending Rate (AWPLR) increased from 8.43% to 9.28% as at 31 March 2026.

Impact on Resus	Impact Management
- Relatively low interest rates improved access to capital - Enhanced refinancing opportunities - Increased financial flexibility to support ongoing and new renewable energy projects.	- Continue to secure fixed-rate and concessionary green financing where possible, maintain reserve funds to cushion higher interest payments, and optimise the capital structure for future investments. - Enhances liquidity planning and optimizes capital structure for future investments. - Restructure existing debt at lower rates to secure more favorable terms

Inflation

Headline inflation, as measured by the Colombo Consumer Price Index (CCPI, 2021=100), turned positive during the year, recording 2.2% year-on-year in March 2026, compared to a deflation of 2.6% in March 2025

(Source: Colombo Consumer Price Index (CCPI) (CCPI, 2021=100))

Impact on Resus	Impact Management
A gradual return to positive inflation increases the cost of operations, maintenance and development activities over time, though from a low base.	Continue to update financial models to assess the impact of inflation scenarios, strengthen financial controls to preserve liquidity, and build cash reserves to support future investment.

GDP GROWTH RATE

Sri Lanka’s economy expanded by 4.8% YoY in the 4th quarter of 2025, reflecting continued economic recovery and strengthening macroeconomic fundamentals.

Impact on Resus	Impact Management
Continued economic growth would increase the demand for renewable energy, underscoring the need for sustainable electricity solutions to support expanding industrial and consumer activity. This expansion will spur innovation and technological progress, thereby promoting fresh investments in renewable energy sources. Additionally, this growth will enhance investor sentiment and confidence in the renewable energy sector, supporting financing and refinancing efforts, particularly through green bond instruments. These developments will enable the company to explore new ventures domestically.	- Continuing to expand the renewable energy portfolio through increased solar power investments. - Exploration of cost-effective renewable technology alternatives to assess the viability of economical solutions. - Leveraging green bonds and other financing instruments to secure capital for expansion and refinancing activities. - Exploring new local and international partnerships to broaden the company’s portfolio and expand its geographical footprint.

DEMAND FOR ELECTRICITY

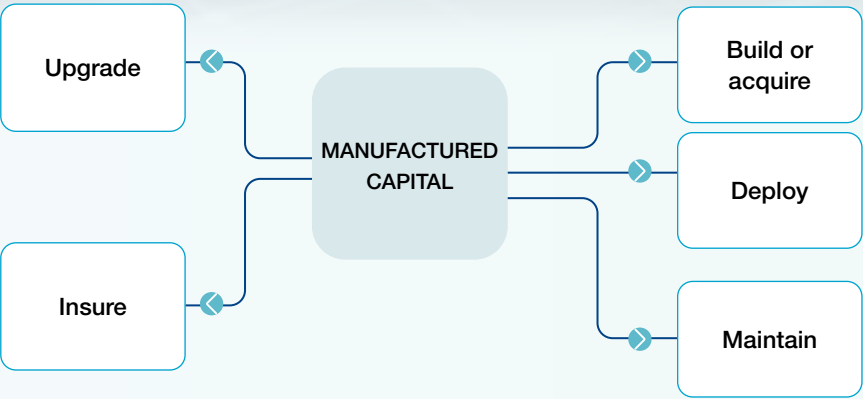
Net generation and maximum demand recorded from January to June 2025 were 8,678 GWh and 2,778 MW, respectively, both marking a 10% increase compared to the same period in the previous year. CEB is planning to increase the renewable energy capacity up to 6,790 MW out of the total requirement (12,547 MW) by 2030. (Source: Progress Report 2025, Ministry of Energy)

Impact on Resus	Impact Management
Sri Lanka’s renewable energy targets support continued demand for the Group’s generation capacity over the medium term.	- Prioritize investments in renewable energy projects, particularly in solar, hydro, and other sustainable sources. - Enhance energy efficiency, promote grid integration, and foster innovation to accelerate the transition to a low-carbon economy.

MANUFACTURED CAPITAL



Manufactured capital remains the backbone of our operations, comprising our hydropower and solar PV plants, infrastructure, equipment, transmission facilities and monitoring systems. Through effective maintenance, strategic upgrades and reliable technology, we enhance operational efficiency and resilience while creating sustainable value for our stakeholders.



OPERATIONAL EXCELLENCE

At the core of our operational strategy lies a commitment to excellence, marked by the careful management of our hydropower and solar PV facilities. These plants are equipped with top-notch electromechanical equipment sourced from leading manufacturers in Europe and China. Our choice of suppliers reflects our dedication to reliability and efficiency, with components crafted with precision and expertise from China, Germany, Italy, Austria and the United Kingdom.



Beyond simply generating electricity, we prioritize environmental sustainability and national energy security. By harnessing renewable resources such as water and sunlight, we not only power homes and businesses but also reduce our

reliance on fossil fuels. We adhere to the guidelines and regulations outlined in the Standardized Power Purchase Agreements and ensure compliance with safety standards during the construction and operation of our power plants.

Our commitment does not end with construction; it extends to the ongoing maintenance of our infrastructure. We follow a careful schedule of preventive maintenance at our power plants, which involves regular inspections and proactive repairs to ensure seamless and smooth operations. Pre-planned maintenance during the off-season, enables us to minimize power generation disruptions and avoid unnecessary downtime.

During year in consideration, our preventive-maintenance programmes continued to be guided by manufacturers' recommendations, equipment operating history, condition assessments and seasonal generation patterns. Major maintenance activities at hydropower plants were generally scheduled during low-flow periods, while maintenance at solar plants was planned to minimize interruptions during peak generation hours. The maintenance intervals are guided by detailed instructions in the manufacturers' maintenance manuals.

Maintenance and inspection activities covered turbines, generators, transformers, inverters, switchgear, protection systems, synchronizing equipment, control panels, auxiliary systems and other critical plant components. At solar power plants, regular attention was also given to solar-module cleaning, vegetation control, inverter cooling systems, communication equipment, plant earthing and monitoring arrangements.



Furthermore, we conduct critical inspections of equipment at hydropower plants following periods of high rainfall. These inspections aim to evaluate the condition of key components, including turbines, generators, penstocks and civil structures. By thoroughly assessing these elements, we ensure that potential issues are identified and addressed promptly, thereby maintaining the reliability and efficiency of our power plants.

Inspections were also carried out on intake structures, canals, forebays, drainage systems, powerhouses, access roads and other supporting infrastructure to identify damage or deterioration caused by adverse weather conditions.

To establish reliable connections between our plants and the national grid, we voluntarily assist the Ceylon Electricity Board in the maintenance and troubleshooting of transmission lines to strengthen their overall reliability. In areas where power outages are frequent, we have taken voluntary measures to restore line failures swiftly and effectively.

At certain locations, we have deployed teams at our own expense to assist in detecting the causes of line failures and restoring the lines.

Generation data, equipment alarms, inverter performance and communication status were regularly reviewed by plant personnel and the engineering team. This supported the early identification of abnormal operating conditions and enabled timely troubleshooting and corrective action.

MANAGING RISKS

Our approach to risk management is robust and aimed at shielding our power plants from various potential threats. We have taken proactive steps by obtaining commercial insurance coverage for all our power plants to address risks linked to natural hazards, fires, riots and strikes, and malicious damage to our infrastructure, machinery and other assets.

Additionally, we maintain an inventory of spare parts for essential electromechanical components, ensuring the quick resolution of operational challenges and preventing disruptions to our operations.

During the year, the Group continued to review plant-wise critical spare-parts requirements, giving priority to components with long procurement lead times and those essential for the continued operation of generating equipment. Coordination with original equipment manufacturers, local suppliers and service providers supported the timely procurement and replacement of components. Warranty claims were also pursued where applicable.

The policy of safeguarding the assets of the Group is well-inculcated across our operations, with equal emphasis placed on employee engagement. To this end, we have established a skilled in-house engineering team entrusted with ensuring the smooth functioning of our assets.

MANUFACTURED CAPITAL

Furthermore, we have devised a clear disaster-management protocol, with clearly defined responsibilities and reporting lines to ensure swift responses during crises.

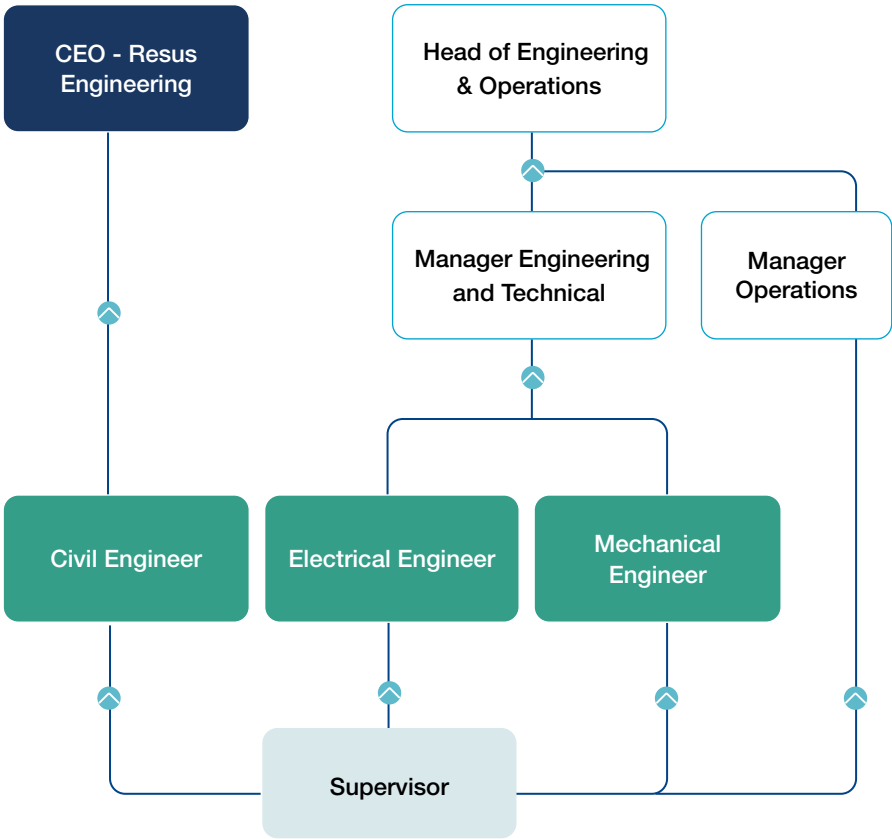
At each power plant, supervisors take on the critical responsibility of overseeing daily operations and spearheading ongoing enhancements through innovative approaches. Our dedicated engineers also frequently visit the sites, actively participating in operational assessments and assisting in achieving controllable downtime objectives.

This coordinated effort enables management to identify issues early and undertake proactive interventions, ensuring optimal plant performance at all times.

Our incident-management process also allows staff members to promptly report any breach of security or risk to any asset to the Operations Manager for immediate action.

During this year, greater attention was given to operational, grid-related, security and weather-related risks. Where necessary, physical security, incident reporting and asset-protection measures were strengthened at selected locations.

BREAKDOWN REPORTING



RECENT UPGRADES AND ACHIEVEMENTS

During the year, we continued to upgrade and maintain our manufactured capital through the following activities

- Carried out scheduled preventive maintenance and condition assessments across the hydropower and solar power portfolio.
- Inspected, serviced and tested generators, transformers, switchgear, protection systems and associated equipment at selected plants.
- Repaired or replaced defective and end-of-life electrical and mechanical components where required.
- Replaced defective inverter cooling fans and related components at selected solar power plants, with supplier and warranty coordination where applicable.
- Improved solar-module cleaning and vegetation-control programs to support efficient energy generation.
- Provided engineering, technical-evaluation, consultancy and project-development support for new renewable-energy opportunities.

These activities further strengthened the operational reliability and resilience of our assets. The Group remains committed to continuously improving plant performance, minimizing controllable downtime and extending the useful life of its infrastructure.

SOCIAL AND RELATIONSHIP CAPITAL



Resus recognizes Social and Relationship Capital as the trust, goodwill, partnerships and institutional relationships that support its long term ability to operate as a responsible renewable energy producer. Our relationships with customers, government institutions, suppliers, contractors, communities, employees and other stakeholders are essential to maintain operational continuity, regulatory compliance and our social license to operate.

As a company engaged in small hydropower and solar PV generation, our operations are closely connected with local communities, natural resources, public institutions, suppliers and national energy infrastructure. We therefore seek to share the benefits of our growth not only through responsible business practices, ethical conduct, community empowerment and engagement, but also long-term partnerships.

During the year under review, in addition to the continued stakeholder relationships in the renewable energy sector, the Group’s diversification through Resus Engineering (pvt) Limited further enhanced its relationship capital across civil construction, engineering services, contractors, site workers, local suppliers and project communities.

CUSTOMERS AND NETWORK PARTNERS

GRI 203-1 | 416-2 | 418-1 | 419-1

The Ceylon Electricity Board (CEB) has historically been the Company’s primary customer, with electricity supplied under Standardized Power Purchase Agreements (SPPAs). Following Sri Lanka’s electricity sector reforms under the Sri Lanka Electricity Act No. 36 of 2024, the Company’s customer and network interface has moved into a restructured operating environment.

Accordingly, Resus continues to maintain constructive engagement with relevant sector entities, including the National System Operator (Private) Limited (NSO), the National Transmission Network Service Provider (Private) Limited (NTNSP) and Electricity Distribution Lanka (Private) Limited (EDL), while preserving continuity from its long standing relationship with the CEB.

Through our small hydropower and solar PV assets, we supply renewable electricity to the national grid and contribute to Sri Lanka’s non-conventional renewable energy generation objectives. Our operational teams maintain regular coordination with grid engineers, regional field teams and relevant power sector institutions to support reliable electricity dispatch, metering, billing and network interface requirements.

Tables 1 and 2 present the electricity units generated and the grid interconnection points of the Company’s wholly owned power assets during the last two financial years.



TABLE 1: ELECTRICITY UNITS GENERATED

Power Plant Name	2025/26 (kWh Units)	2024/25 (kWh Units)
Giddawa MHPP	6,435,918	8,979,182
Upper Magal Ganga MHPP	7,137,352	6,938,073
Upper Agra Oya MHPP	7,974,431	7,509,988
Gomale Oya MHPP	2,750,135	1,764,907
Moragaha Oya MHPP	4,552,320	5,586,166
Ranwala Oya MHPP	3,304,067	3,480,278
Upper Huluganga MHPP	5,813,007	5,473,138
Karapalagama MHPP	5,785,110	6,957,160
Siyambalanduwa SPP 1MW	1,588,777	1,829,210
Siyambalanduwa SPP 2MW	2,684,303	3,202,580
Mahiyanganaya SPP 6MW	9,232,180	10,559,641
Damana SPP 5MW	7,446,200	41,400

TABLE 2: GRID INTERCONNECTION POINTS OF EACH PROJECT

Project	NSO Inter-connection Point	NSO Regional Office
Giddawa MHPP	Ukuwela	Kandy
Upper Magalganga MHPP	Dikellakanda, Deraniyagala	Ratnapura
Upper Agra Oya MHPP	Henfold Estate, Lindula	Nuwara Eliya
Gomale Oya MHPP	Dikellakanda, Deraniyagala	Ratnapura
Moragaha Oya MHPP	Ukuwela, Matale	Kandy
Ranwala Oya MHPP	Maliboda, Deraniyagala	Ratnapura
Upper Huluganga Oya MHPP	Ukuwela, Matale	Kandy
Siyambalanduwa SPP	Mahagalugolla, Siyabalanduwa	Ampara
Mahiyanganaya SPP	Dehigolla, Mahiyanganaya	Mahiyanganaya
Ampara SPP	Damana, Ampara	Ampara

During the reporting period, the Company recorded no incidents of non-compliance relating to the health, safety or quality impacts of its power stations or grid delivery interfaces. The Company also recorded no substantiated complaints relating to customer privacy, metering data, commercial information or institutional data loss.

GOVERNMENT AND REGULATORY INSTITUTIONS

GRI 201-4 | 419-1

The development, modification and operation of renewable energy assets require continuous engagement with government institutions, regulatory authorities and local administrative

bodies. Resus maintains professional and transparent relationships with relevant statutory institutions to ensure that approvals, licenses, environmental clearances, land matters, water-use conditions and operational requirements are properly managed.

Key institutions engaged by the Group include the,

- Sri Lanka Sustainable Energy Authority
- National System Operator (Private) Limited
- National Transmission Network Service Provider (Private) Limited
- Electricity Distribution Lanka (Private) Limited
- Public Utilities Commission of Sri Lanka
- Central Environmental Authority
- Archaeology Department
- Irrigation Department
- National Water Supply and Drainage Board
- Forest Department
- Department of Wildlife Conservation
- Divisional Secretariat Offices
- Local Government Authorities
- Board of Investment of Sri Lanka
- Telecommunications Regulatory Commission of Sri Lanka
- Sri Lanka Customs.

All interactions with these institutions are guided by ethical conduct, transparency and responsible corporate procedures.

TAXES AND LEVIES TO THE GOVERNMENT

GRI 3-3 | 207-1 | 207-2 | 207-3

Resus considers responsible tax management, is an important part of its socioeconomic contribution and

SOCIAL AND RELATIONSHIP CAPITAL

corporate citizenship. The Group complies with applicable national tax laws, including the Inland Revenue Act No. 24 of 2017 and subsequent amendments.

While the Group’s small hydropower companies continue to operate under relevant Board of Investment (BOI) frameworks, earlier tax concessions and pioneer-period exemptions have progressively ceased. Accordingly, these entities have transitioned into the standard domestic corporate tax framework, enabling the Group to contribute more directly to national revenue.

During the financial year in consideration, Resus Engineering (Pvt) Ltd a diversified subsidiary of Resus registered as a SVAT liable company, enhancing group’s tax portfolio.

Tax governance is managed by the finance professionals internally with expertized external tax consultation where required and oversight from the Board Audit and Risk Committee. Internal controls are maintained to support accurate tax computation, timely filings and settlement of liabilities.

During the reporting period, the Group fulfilled its statutory tax declarations and filings and recorded no material tax disputes, punitive fines or regulatory sanctions relating to tax non-compliance.

SUPPLIERS AND CONTRACTORS

GRI 2-6 | 3-3 | 308-1 | 308-2 | 414-1 | 414-2

Our engagement with suppliers and contractors extends beyond transactional purchasing. Resus focuses on building long-term partnerships based on quality, reliability, transparency, technical capability, ethical conduct and shared responsibility.

The Group’s supply chain includes international electromechanical equipment suppliers, solar technology providers, civil contractors, engineering service providers, logistics partners, maintenance contractors and local service providers. These relationships are essential for project development, plant availability, maintenance support and operational continuity.

Suppliers and contractors are selected through a structured evaluation process that considers both commercial and non-commercial criteria. Key evaluation areas include technical capability, previous experience, quality of goods and services, price competitiveness, delivery capacity, statutory compliance, relevant licenses and certifications, environmental responsibility, occupational health and safety performance, fair labour practices, ethical business conduct and respect for human rights.

Environmental and social considerations are incorporated into supplier and contractor screening where relevant to nature and scale of procurement. This includes responsible sourcing, pollution prevention, proper waste handling, prohibition of child labour and forced labour, Personal Protective Equipment (PPEs) compliance, safe work practices and adherence to site level environmental and safety rules.

As part of the Group’s strategic diversification, Resus has expanded its capabilities through Resus Engineering, which carries out selected civil construction and engineering-related services. This development strengthens the Group’s internal

Evaluation Area	Key Considerations
Technical capability	Ability to meet project specifications, engineering requirements and quality standards
Experience and reliability	Previous project experience, past performance and ability to complete work within agreed timelines
Price competitiveness	Value for money, cost transparency and long-term cost efficiency
Delivery capacity	Ability to supply materials, equipment or services without affecting project schedules or operations
Legal compliance	Valid registrations, licences, permits, certifications and tax compliance
Environmental responsibility	Waste handling, pollution prevention, resource use and compliance with environmental requirements
Health and safety	PPE usage, safe work practices, risk controls, housekeeping and incident prevention
Labour practices	Prohibition of child labour, forced labour, discrimination and unfair labour practices
Ethical conduct	Anti bribery practices, transparency and avoidance of conflicts of interest
Local value creation	Support for local employment, local procurement and community participation where applicable

technical capacity, supports project execution and broadens the Group’s relationship base across contractors, civil construction teams, local suppliers, engineering professionals and project communities.

CONSTRUCTION HSE PRACTICES

GRI 3-3 | 403-1 | 403-2 | 403-5 | 403-7 | 413-2 | 414-2

Civil construction activities involve a distinct set of health, safety, environmental and community related risks beyond routine power plant operations and project development. These may include excavation works, work at height, material handling, temporary electrical works, machinery movement, lifting activities, site access control, dust, noise, waste generation, drainage impacts and interaction with nearby communities.

Therefore, additional emphasis is placed on contractor safety performance, site housekeeping, excavation safety, working at height controls, machinery movement, and emergency preparedness which are supervised through periodic visits by the Company’s Health, Safety and Environment (HSE) officers at construction locations.

HSE officers also support toolbox talks, site level awareness sessions, risk assessments and corrective action follow ups. Where contractors are engaged, they are expected to comply with the Company’s safety instructions, environmental requirements and site supervision procedures. Any unsafe practices observed during inspections are communicated to the responsible site team or contractor for immediate corrective action.

Through these practices, Resus seeks to ensure that its diversification into civil construction and engineering services is supported by responsible project execution, safe working conditions, contractor accountability and protection of surrounding communities.

Construction HSE Monitoring Practices

Focus Area	Key Practices
Site safety inspections	Periodic HSE officer visits construction sites to identify unsafe conditions and improvement needs
Risk assessment	Review of activity based risks such as excavation, work at height, lifting, electrical work, machinery movement and material handling
Contractor safety	Monitoring contractor compliance with PPE, safe work procedures, housekeeping and site instructions
Toolbox talks	Conducting safety awareness discussions before or during construction activities
PPE compliance	Verification of helmets, safety shoes, gloves, reflective vests, harnesses and other required PPE
Environmental controls	Monitoring dust, noise, waste disposal, drainage, spill prevention and site cleanliness
Emergency preparedness	Review of first aid arrangements, emergency contacts, fire extinguishers and access routes
Corrective actions	Recording unsafe observations and following up with responsible people until closure

OVERSEAS EQUIPMENT SUPPLIERS

The Group continues to maintain relationships with original international equipment manufacturers and specialist engineering partners for electromechanical equipment, solar PV components and technical support. These relationships support long-term plant reliability, maintenance planning, spare parts coordination and future project development.

One such long-standing relationship is with WKV of Germany, the supplier engaged for the Company’s first Giddawa hydropower project in 2008. This partnership has continued through technical support, maintenance engagement and participation in future project opportunities.

Regular technical communication, supplier coordination and site level engagement help ensure that imported equipment and engineering services meet the operational requirements of our hydropower and solar PV assets.

SOCIAL AND RELATIONSHIP CAPITAL

TABLE 3: COMMITMENTS TO OVERSEAS ELECTROMECHANICAL AND RENEWABLE ENERGY SUPPLIERS

Powerplant Name	Supplier and country	Amount (Rs. millions)	Year of investment
Giddawa MHPP	WKV-Germany	138	2008/09
Gomale Oya MHPP	Zeco-Italy	78	2015/16
Karapalagama MHPP	Lanzu International - China	86	2018/19
Upper Magalganga MHPP	GHE-Austria	106	2011/12
Mahiyanganaya SPP 6 MW	JA Solar International Limited – China JinkoSolar Holding Co., Ltd – China Das Solar Co., Ltd - China Huawei Technologies Co., Ltd -China	416	2020/21 2023/24
Moragaha Oya MHPP	Gugler-Austria	82	2015/16
Ranwala Oya MHPP	Lanzu International - China	30	2017/18
Siyambalanduwa SPP 2 MW	Trina Solar Energy Pvt Ltd – Singapore Sungrow - India	108	2018/19
Siyambalanduwa SPP 1 MW	JA Solar International Limited – China Huawei Technologies Co., Ltd – China	139	2021/22
Upper Agra Oya MHPP	Gilkes, United Kingdom.	106	2009/10
Upper Huluganga MHPP	Zeco-Italy	81	2016/17
Ampara 5 MW SPP	Jinko Solar CO. Ltd - China Das Solar Co., Ltd - China Huawei Technologies Co., Ltd -China	218	2024/25
Ampara 2 MW SPP	GCL System Integration Technology Pte.,Ltd Sungrow Power Supply Co., Ltd Lanzu International – China	300	2025/26

LOCAL SUPPLIERS

GRI 204-1 | 308-1 | 308-2 | 408-1 | 409-1 | 414-1 | 414-2

Resus collaborates with local suppliers and contractors for civil works, site maintenance, infrastructure improvements, operational support, logistics and other project related services. This supports regional economic activity and helps create indirect employment opportunities in areas close to our project locations.

With the emergence of Resus Engineering and the Group's involvement in civil construction-related

activities, local supplier and contractor relationships have become increasingly important.

When selecting local suppliers and contractors, the Group considers not only competitive pricing, quality of work, and delivery capability. We pay serious emphasis on reliability of suppliers, their statutory compliance, occupational health and safety practices, environmental responsibility and ethical business conduct. We also promote open communication with both local and international suppliers and seek to address any operational issues or disputes promptly and professionally.

Supplier relationships form a vital part of Resus' relationship capital. Through responsible procurement, site level supervision and long-term supplier engagement, the Group seeks to create mutual value while maintaining compliance with labour, environmental, ethical and health and safety requirements.

During the reporting period, there were no significant actual or potential negative impacts relating to society, the environment, labour practices or human rights within the local supplier base.

COMMUNITIES

GRI 413-1 | 413-2 | 203-1 | 203-2

At Resus, empowering communities in which we operate and supporting livelihood development remain important elements of our social responsibility. Our hydropower and solar power plants are located within rural and community connected environments where land, water, livelihoods, access routes, employment and environmental protection are closely linked.

We maintain engagement with local communities during project development and construction as well as in the operational phases. These engagements are carried out through direct discussions, local authority coordination, site level communication and grievance channels. The Group is committed to making only genuine commitments and following through on agreed actions.

Our projects contribute to local economic participation through construction phase employment, local contractor engagement and site level support services as well as ongoing operational phase employment. During the year, the Group continued to support local employment opportunities, including female employment connected with the Ampara Solar Power Project, thereby contributing to household income and local participation in renewable energy operations.

The diversification of the Group through Resus Engineering also creates new points of community interaction through civil construction and engineering activities. The Group recognizes that construction activities can temporarily affect nearby communities through vehicle movement, noise, dust, access limitations and safety risks. Therefore,

site teams and HSE officers are expected to monitor such matters and ensure that construction activities are carried out responsibly, with due attention to worker safety, public safety and community convenience.

The Company monitors the possible impacts of its operations and project activities on local communities and implements measures to prevent or minimize adverse effects on livelihoods, water use, access, agricultural activities, community safety and local infrastructure.

During this reporting year, Resus recorded no significant actual or potential negative impacts on local communities arising from its business activities. The Group also recorded no physical or economic displacement of households or indigenous communities due to project development or operational activities.

COMMUNITY SUPPORT AND DISCRETIONARY RESPONSIBILITY

GRI 203-1 | 413-1

The philanthropic aspect of our social responsibility includes practical support for meaningful causes and low-profile contributions to communities located near our operational power plants and project development sites. These initiatives are directed mainly towards improving quality of life, supporting education, youth development, religious and cultural activities, healthcare-related needs and community wellbeing.

During the year, the Group supported selected initiatives such as educational assistance, community welfare activities, youth and sports-related support, local infrastructure needs and environmental protection initiatives. These contributions strengthen trust, improve community

relationships and support the broader social value created by the Group’s renewable energy operations. Furthermore, Resus actively engaged in community support activities individually as well as in partnership with the local authorities, supporting the families affected by cyclone Ditwah during the year of consideration.

Where construction related activities are carried out through Resus Engineering, the Group also seeks to maintain constructive relationships with surrounding communities by ensuring responsible site practices, safe access arrangements, proper housekeeping, contractor discipline and timely response to community concerns.

TABLE 4: COMMUNITY SUPPORT / CSR ACTIVITIES

Power Plant Name	Amount (LKR)
Giddawa	88,000.00
Upper Magal Ganga	15,000.00
Agra Oya	10,000.00
Gomale oya	16,000.00
Moragaha Oya	56,375.00
Ranwala Oya	28,000.00
Upper Huluganga	239,975.00
Karapalagama	182,000.00
Mahiyanganaya	33,000.00
Siyambalanduwa	10,000.00
Damana	48,220.00

In addition to direct community support initiatives, several power plants maintain vegetable and fruit cultivation programmes within their premises. Harvested produce is distributed among neighboring communities, while surplus harvests are sold and the proceeds utilized for community welfare and

SOCIAL AND RELATIONSHIP CAPITAL

development activities. The annual harvest volumes recorded during the year are presented below.

TABLE 5: ANNUAL HARVEST AT POWER PLANTS

Power Plant Name	Amount (Kg)
Giddawa	314
Upper Magal Ganga	386
Gomale oya	44
Moragaha Oya	138
Ranwala Oya	127
Upper Huluganga	33
Karapalagama	65



Harvest Vegetables from Greenhouse Farming at Our Power Plants



Public Road Construction Along the Mahiyanaya Power Plant Access Route As Part of Our CSR Commitment

ETHICAL BUSINESS CONDUCT

GRI 2-23 | 205-1 | 205-2 | 205-3

The values and corporate culture of Resus are rooted in honesty, integrity, accountability and respect for stakeholder rights. Ethical conduct is expected across all business activities, including procurement, finance, project development, operations, regulatory engagement, construction activities and community relations.

The Group maintains a Code of Conduct and anti bribery and anti corruption principles covering employees, operations and business relationships. Employees are made aware of expected standards of conduct through internal communication and awareness activities. Ethical compliance is supported through formal and informal reporting mechanisms.

The Group expects suppliers, contractors and construction partners engaged through Resus Engineering and other project activities to act with integrity, avoid conflicts of interest, comply with applicable laws and uphold responsible labour, environmental and safety practices.

During FY 2025/26, there were no confirmed incidents of corruption, bribery, violations of the Code of Conduct or material deviations from the Company’s ethical values.

COMPLIANCE

GRI 308-2 | 408-1 | 409-1 | 413-2 | 416-2 | 418-1 | 419-1

Resus places a high priority on legal, regulatory, social and economic compliance. For both project development and operational business units, the Group follows internal procedures to identify, monitor and comply with applicable legal requirements, approval conditions, environmental obligations, labour standards, grid requirements and corporate governance expectations.

The Company continues to monitor updates to regulatory frameworks and conduct awareness activities where necessary to support compliance across the organization.

The Group’s compliance approach now also extends to civil construction and engineering activities carried out through Resus Engineering. Construction-related compliance includes site safety requirements, contractor supervision, PPE usage, excavation and work at height controls, environmental protection, waste management, traffic and access safety, emergency preparedness and community protection measures.

During FY 2025/26, the Group recorded no incidents of non-compliance relating to negative environmental impacts in the supply chain, forced or compulsory labour, negative impacts on local communities, negative social impacts in the supply chain, health and safety impacts of products and services, customer privacy breaches or laws and regulations in the social and economic area.

Measure of Compliance	Status
Negative environmental impacts in the supply chain and actions taken	No incidents of non-compliance during the year
Operations and suppliers at significant risk for forced or compulsory labour	No incidents of non-compliance during the year
Operations with significant actual and potential negative impacts on local communities	No incidents of non-compliance during the year
Negative social impacts in the supply chain and actions taken	No incidents of non-compliance during the year
Incidents of non-compliance concerning health and safety impacts of products and services	No incidents of non-compliance during the year
Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents of non-compliance during the year
Noncompliance with laws and regulations in the social and economic area	No incidents of non-compliance during the year
Major construction related HSE incidents under Resus Engineering activities	No major incidents reported during the year



Looking Ahead

Going forward, Resus will continue to strengthen stakeholder relationships through responsible project development, transparent regulatory engagement, ethical supplier partnerships, community responsiveness and local economic inclusion.

The Group will also continue to strengthen its diversification journey through Resus Engineering by embedding health, safety and environmental practices into civil construction and engineering-related activities.

In future reporting periods, the Group will seek to further improve the documentation of community engagement, supplier screening, construction HSE monitoring, grievance handling and social investment outcomes, supporting a more structured and measurable approach to Social and Relationship Capital reporting.

HUMAN CAPITAL



Resus recognizes Human Capital as a fundamental pillar and a key driver of sustainable growth and long-term success of our organization. The dedication, professionalism, and commitment demonstrated by our staff continue to play a vital role in advancing the Company’s strategic objectives. Supported by a diverse workforce enriched with a wide range of skills, expertise, and perspectives, we continue to strengthen our organizational capabilities while fostering a collaborative and high-performing corporate culture.



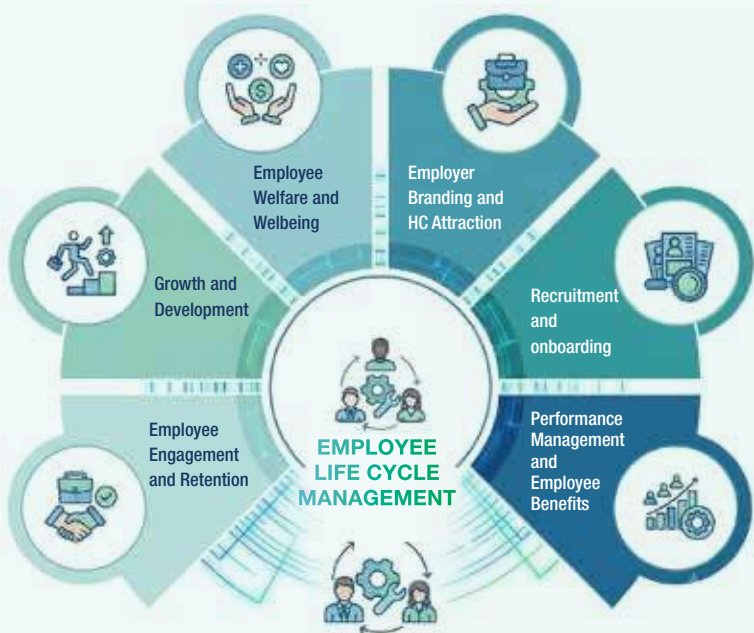
OUR APPROACH

At Resus, our approach towards Human Capital management is guided by the principles of professionalism, inclusivity, accountability, and continuous improvement. We recognize that our employees are among the Company’s most valuable assets, and therefore, creating an environment where individuals feel respected, valued, and empowered remains a key organizational priority.

The Company continuously strives to maintain a workplace culture that promotes employee engagement, knowledge sharing, innovation, and teamwork while ensuring alignment between individual aspirations and organizational objectives. Our human resource practices are designed to support continuous growth, fair employment, equal opportunity, ethical conduct, and employee well-being across all levels of the organization.

By fostering a culture built on trust, transparency, and performance excellence, we continue strengthening our organizational capabilities while

enabling employees to contribute meaningfully towards the Company’s sustainable growth journey.



OUR TEAM

As of 31st March 2026, Resus maintained a workforce of 115 employees, reflecting an optimally structured team that effectively supports the Company’s operational and strategic requirements while ensuring organizations continued commitment towards inclusivity and diversity within the workplace.

This headcount comprises a healthy blend of experienced professionals and new talent, enabling the organization to benefit from both institutional knowledge and fresh perspectives.

WORKFORCE OVERVIEW

GRI 405-1

During the year under review, Resus continued to foster a solid workplace culture, recognizing diversity and inclusivity as key drivers of innovation, collaboration, and sustainable growth. Through our well carved recruitment practices and equal opportunity initiatives, the Company demographics continue to reflect a balanced headcount profile in age, gender, ethnicity and locality across the organization.

GENDER INCLUSIVITY

At Resus, we foster an inclusive workplace where all employees have equal opportunities to succeed, irrespective of gender, while encouraging greater participation and representation across various functions and levels of the organization.



Resus Women’s day 2026

Through supportive workplace practices, fair employment policies, and equal access to development opportunities, the Company continues to strengthen an inclusive culture that values diversity and respects individual contributions. Resus remains committed to creating a professional environment where all employees feel equally empowered, supported, and encouraged to achieve their full potential.

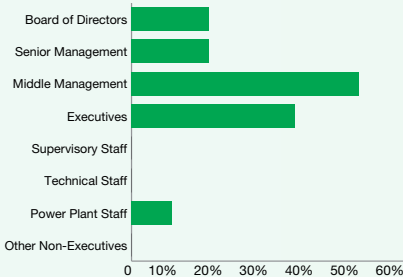
Category	Age						Total
	< 30		30-50		50<		
	M	F	M	F	M	F	
Board of Directors	-	-	1	-	4	1	6
Senior Management	-	-	2	1	3	-	6
Middle Management	-	-	1	1	-	-	2
Executives	4	4	2	-	1	-	11
Supervisory Staff	2	-	6	-	4	-	12
Technical Staff	3	-	2	-	-	-	5
Power Plant Staff	8	2	46	4	10	-	70
Other Non-Executives	-	-	1	-	2	-	3
Total	17	6	61	6	24	1	115

EMPLOYEE DIVERSITY

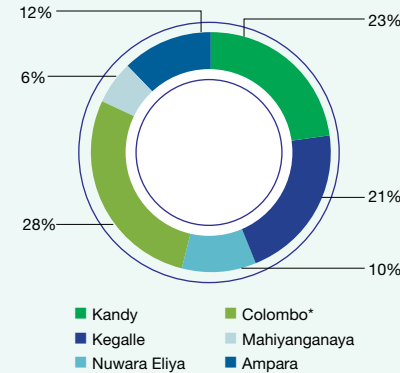
Resus recognizes diversity as a key contributor to organizational strength, innovation, and sustainable business performance.

Resus has employed largely from local communities close to its power plants. This initiative enables operational efficiencies, contributes positively towards regional economic development while strengthening stakeholder relationships and community engagement.

Female Representation by Employment Category



Total Employees by Region



Employment Offered to Local Communities
80%

RETAINING TALENT

GRI 401-1

The ability to attract, develop, and retain talented employees remains fundamental to sustaining operational excellence and achieving long-term strategic objectives at Resus. The Company recognizes

HUMAN CAPITAL

that strong employee retention directly contributes to organizational stability, operational continuity, productivity, and the preservation of institutional knowledge.

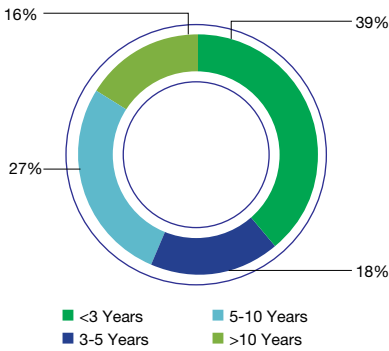
Accordingly, the Company continues to implement a range of initiatives aimed at strengthening employee engagement, career development, professional growth, and workplace satisfaction. These include structured learning and development opportunities, employee recognition programs, welfare support mechanisms, and engagement activities designed to promote a positive and motivating work environment. By fostering a culture that values employee contribution and supports continuous development, the Company reinforces long-term commitment and organizational loyalty.

In 2025/2026, Resus Energy PLC recorded an employee retention rate of 81.7%, reflecting an improvement compared to the previous year. This upward trend indicates enhanced workforce stability and stronger employee engagement across the organization.

Employee Retention
Rate 2025/26
81.7%

The tenure distribution within the Company further reflects a well-balanced workforce profile, with a significant proportion of employees having completed more than five years of service. This demonstrates strong employee loyalty and organizational stability, supported by a positive work environment and sustained engagement practices.

Tenture with Company



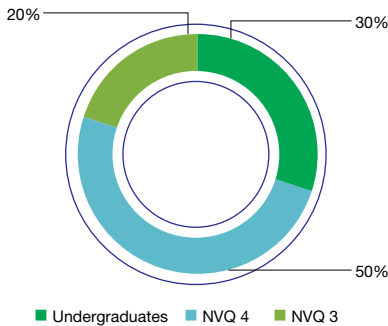
EMPOWERING FUTURE TALENT THROUGH INTERNSHIP OPPORTUNITIES

GRI 2-8

As part of its ongoing commitment to human capital development and industry capacity building, Resus is committed to providing internship and training opportunities for students and young professionals from universities, higher education institutions, and vocational training centers.

During the 2025/2026 period, the Company facilitated internship placements for ten individuals, offering structured exposure to real-world operational environments within the renewable energy sector. These programs are designed to complement academic learning by providing practical experience, technical exposure, and professional mentorship.

Internship Opportunities



PERFORMANCE MANAGEMENT

GRI 404-2

At Resus we maintain a structured and transparent performance management framework designed to align employee performance with organizational goals, operational priorities, and long-term strategic objectives. Employees are provided with clearly defined performance expectations and measurable objectives that promote accountability, continuous improvement, and professional development.

Mid-year reviews are conducted to evaluate progress, identify challenges, and adjust goals if necessary, providing timely feedback that helps employees stay on track. The year-end evaluation offers a comprehensive assessment of achievements and competencies, recognizing successes, and highlighting areas for further development.

By integrating regular evaluations with performance-based rewards and personalized development plans, Resus fosters a culture of continuous improvement and motivation. This structured approach ensures a strong succession planning, employee recognition, and career advancement initiatives, contributing towards the development of a highly motivated and high-performing workforce.

In line with its commitment to fostering a culture of excellence and employee engagement, the Company successfully conducted the “RESUS Awards 2025” to recognize and reward outstanding individuals, teams, and operational achievements across the organization. The awards program acknowledged employees and teams that demonstrated exceptional dedication to operational excellence, and commitment to Resus corporate values.

During the year under review, various trainings and development initiatives were conducted covering technical operations, occupational safety, leadership development, and digital competencies. Employees were encouraged to participate in both internal and external training programs, professional workshops, and knowledge-sharing sessions aimed at enhancing technical and professional capabilities.



TRAINING AND DEVELOPMENT

GRI 404-3

Continuous learning and employee development remain integral components of the Human Capital strategy of Resus. The Company recognizes that investing in employee knowledge, technical expertise, and leadership capabilities is essential in strengthening both individual performance and long-term organizational resilience. Accordingly, the Company continues to promote a culture of continuous learning and professional growth across all levels of the organization.

Total Training Hours
316

Training Budget Per Head
2,160



HUMAN CAPITAL



As part of its commitment to organizational capability enhancement, Resus successfully concluded the Corporate Planning Session 2026, exposing emerging talent to strategic thinking and preparing them for future leadership opportunities. The session served as a strategic platform for leadership alignment, cross-functional collaboration, and knowledge sharing, enabling employees to collectively evaluate priorities and reinforce the Company’s focus on diversified growth strategies and long-term sustainability. The program further strengthened employee engagement, teamwork, strategic thinking, and innovation through active participation and collaborative dialogue across functions.



EMPLOYEE BENEFITS AND WELFARE

GRI 401-2

Resus is committed to supporting employees through comprehensive welfare initiatives and employee benefits that contribute towards enhancing quality of life, work-life balance, and overall employee satisfaction.

From performance-based bonuses and incentives to health insurance, gym and professional memberships, our offerings are tailored to boost morale and create a positive work environment. By investing in our people, we not only enhance productivity but also strengthen the bond between our employees and the company.



We also recognize well-being of the family unit directly impacts employee satisfaction. To support our staff beyond the workplace, we provide welfare initiatives such as giving annual stationery packs for the children of power plant staff and funeral endowments during difficult times. These thoughtful gestures demonstrate our commitment to standing by our employees and their families when it matters most.

Throughout the year, the Company continued implementing various employee welfare and engagement

initiatives including wellness programs, employee gatherings, recreational activities, and support mechanisms designed to strengthen employee morale and organizational connectedness.

EMPLOYEE HEALTH AND SAFETY
GRI 403-2

The health and safety of employees continued to remain a fundamental priority across all Resus operations. We recognize that a safe work environment is fundamental to employee well-being, productivity, and overall organizational

success. Therefore, we implement comprehensive safety measures across all our sites, from corporate offices to high-risk power plants and construction zones.

Our approach includes providing all employees with the necessary personal protective equipment (PPE), such as helmets, boots, and safety harnesses, which are mandatory in designated areas. Beyond equipment, we enforce strict safety protocols and conduct regular inspections to ensure these standards are maintained consistently.

TABLE 1.1
PROCEDURAL STEPS FOR THE ELIMINATION OF HAZARDS AND MINIMIZATION OF HEALTH AND SAFETY RISK,

Planning step	Reference document
1 Identification of Issues for each operation/location	Issue log
2 Hazard identification and risk assessment for operations.	HIRA
3 Identification of significant hazards using a criterion considering the list of Issues prepared in step 1 and the incident investigations details in the reference documents described in step 7	HIRA
4 Identification of action to address significant health and safety hazards.	Lis of actions to address risk and opportunities
5 Implementation of identified actions	Site Specific Environmental Social Health and Safety Plan (SSESHS)Management Plan for the construction projects and Environmental Social Health and Safety (ESHS)Management Systems for operational power plant.
6 Monitoring and evaluation of progress of the implementation and the result	Inspection report, Inspection annual Summery report, internal report, meeting minutes
7 Incident investigation	Inspection reports, Meeting minutes
8 Follow the step 1 to 6 annually or for any critical / significant incident	Updated reference documents from the step 1-6

HUMAN CAPITAL

Quality of the health and safety services are periodically reviewed and assessed at HR meetings, Supervisor meetings, and Management meetings to ensure the effectiveness and functionality of the health and safety measures by the organization. Such review sessions are inclusive of active worker participation, consultation, and communication on occupational health and safety to promote the safe work environment and embark on a health and safety culture.

All employees working in power plants and the construction sites, including the external contractors are required to adhere to the Site Specific Environmental Social Health and Safety Plan (SSESHS).

TABLE 1.2 CONTROLS IMPLEMENTED IN THE OPERATIONAL POWER PLANTS AND THE CONSTRICION PROJECTS FOR THE IDENTIFIED HAZARD CATEGORIES IN HIRA

Hazard		Control/Preventive method Implemented
Source /Situation/Act	Possible Consequence	
1 Work at height	Death/ Permanent /Temporary disabilities/Injury	• Provide PPEs • Provide Safety Harness • First aid box • Training and Awareness
2 Working with electricity	Death/ Permanent /Temporary disabilities/Injury due to electrocution	• Provide Electrically proof PPEs • Training and Awareness. • First aid box
3 Work in high noisy area	Hearing issues	• Provide hearing guard
4 Fallen to water	Death/ Injury	• Provide safety ring • Handrails • First aid box
5 Work with electricity and inflammable materials.	Burning due to firing and electrocution.	• Fire extinguishers • Evacuation plan • Handrails • Firefighting training
6 Snake bite	Death	• First aid box • Training and Awareness.
7 Work with machineries and tools	Death/ Permanent /Temporary disabilities/ Injury	• Provide PPEs • First aid box • Toolbox meeting and Awareness. • Test of applicable machineries

TABLE 1.3 ASSESSMENTS CONDUCTED FOR MACHINES AND EQUIPMENT DURING THE YEAR OF FOCUS

	Power plant	Tested Machine/Equipment/ Project component	Tested by
1	Giddawa Mini hydropower project	Two transformers	Electrical Engineer of a certified engineering company
2	Giddawa Mini Hydropower project	Two Generators	Electrical Engineer of a certified engineering company
3	Moragaha oya Mini hydropower project	Two transformers	Electrical Engineer of a certified engineering company
4	Moragaha oya Mini hydropower project	Two Generators	Electrical Engineer of a certified engineering company
5	Upper Huluganga Mini hydropower project	Two transformers	Electrical Engineer of a certified engineering company
6	Upper Huluganga Mini hydropower project	Two Generators	Electrical Engineer of a certified engineering company
7	Magal ganga Mini hydropower project	Two transformers	Electrical Engineer of a certified engineering company
8	Siyambalanduwa Solar power project	Three transformers	Electrical Engineer of a certified engineering company
9	Karapalagama Mini hydro power project	Two Generators	Electrical Engineer of a certified engineering company
10	Damana solar power project	Five transformers	Electrical Engineer of a certified engineering company
11	Damana solar power project	All Inverters	Electrical Engineer of a certified engineering company

Safety training plays a crucial role in our strategy. We conduct frequent sessions tailored to specific job roles and risk levels, enabling employees to recognize hazards, follow safe work practices, and respond effectively in emergencies. Fire drills, safety audits, and trial exercises help prepare our workforce for unforeseen incidents, minimizing risks and potential disruptions. During the year of focus, Resus conducted awareness sessions and safety fire drills by fire safety specialists for the staff at all its Solar power plants, strengthening staff capability and ensuring the safety of staff.



HUMAN CAPITAL

Technological safeguards like alarm systems, fire detection, and CCTV surveillance further enhance our ability to maintain secure and hazard-free environments. Importantly, in 2025, no major injuries or lost workdays were recorded, demonstrating the success of our proactive safety culture.



There were no work-related fatalities or high consequences of work-related injuries from the inception of the organization up to date. Even though there were no work-related illnesses recorded for the entire history of the organization, certain hearing issues were raised by the operators in hydropower power plants. This could be a hazard due to the noise of the hydropower generating machinery, as identified in the HIRA. As preventive measures, ear guards have been provided to all operators and noise breakers introduced at all plants where possible.

'Zero' Number of recordable work-related injuries.

This comprehensive health and safety framework reflects Resus's unwavering commitment to protecting its people, promoting a culture of care, and ensuring sustainable



Throughout the year, comprehensive occupational health and safety practices were consistently implemented across operational sites and office premises. Regular safety inspections, hazard identification procedures, risk assessments, emergency preparedness initiatives, and safety awareness programs were carried out to reinforce workplace safety standards and minimize operational risks. Additionally, Employees engaged in operational and project-related activities were provided

with the necessary personal protective equipment (PPE), safety training, and operational guidance to ensure full compliance with established health and safety protocols. Beyond physical safety, the Company also recognized the growing importance of employee mental well-being in sustaining a productive and engaged workforce. In line with this commitment, several employee engagement and wellness initiatives were organized during the year to help employees unwind, reconnect, and maintain a healthy work-life balance amidst demanding work schedules. These initiatives reflected the Company's belief that a strong organizational culture is built not only through operational excellence, but also through meaningful employee experiences that promote collaboration, inclusion, and a sense of belonging.

NON-DISCRIMINATION

GRI 406-1

Resus Energy PLC remains firmly committed to maintaining a workplace culture founded on fairness, equality, dignity, and mutual respect. The Company strictly prohibits all forms of discrimination, harassment, intimidation, or unfair treatment based on gender, age, ethnicity, religion, disability, or any other personal characteristic.

We continue promoting equal opportunity and merit-based practices across all aspects of employment, including recruitment, training, performance evaluation, promotions, compensation, and career advancement. In line with the principles embedded within our organizational framework, Resus Energy PLC maintains a strict policy against discrimination based on gender, age, race, cultural differences, or any other protected characteristic. We actively

encourage our employees to report any concerns regarding serious misconduct, breaches, or suspected breaches of laws or regulations that could negatively impact the Company. Such reports can be made without fear of retaliation or unfair treatment through our established 'whistleblowing' and 'open door' policies.

Employee concerns are diligently addressed by senior management, and in cases where issues remain unresolved, they can be escalated directly to the Managing Director, Mr. G A K Nanayakkara, and/or the Independent Non-Executive Director, Mr. U P Egalahewa, PC, under the whistleblowing framework.

Our Head of Human Resources regularly visits power plants to engage with employees, ensuring their concerns and needs are understood and addressed promptly. Throughout the year, no incidents of discrimination were reported, confirming the effectiveness of our policies and the inclusive culture we continue to foster.

INTELLECTUAL CAPITAL



At Resus Energy PLC, intellectual capital remains to be a cornerstone of our long-term success, our ability to drive innovation, ensure operational excellence, and create long-term sustainable value. In a rapidly evolving energy landscape, intellectual capital enables us to adapt, respond, and lead in delivering renewable energy solutions that serve both economic and environmental goals.



We define intellectual capital as the collective knowledge, capabilities, systems, experience, and culture that drive our organization forward. This encompasses our human talent, organizational knowledge, processes and systems, technological acumen, and an unwavering ethical framework. Each of these elements contributes to building a resilient and future-ready enterprise.

KNOWLEDGE, SKILLS, AND EXPERTISE

Over the years, Resus Energy PLC has developed deep sectoral expertise, shaped by experience across diverse geographical, technical, and social contexts. Our teams have successfully executed projects in socially sensitive and logistically challenging regions of Sri Lanka, while also gaining valuable

international exposure in markets such as East Africa. We have continuously evolved by applying insights gained from navigating complexities in the biomass energy segment, shaped by political, regulatory, and societal dynamics.

In line with our growth strategy, the launch of Resus Engineering marked a significant milestone in enhancing our technical and service capabilities. This division provides a comprehensive suite of electro-mechanical engineering and civil engineering services from design and consultancy to construction, supporting our operations and enabling third-party engagements. This expansion has amplified our intellectual capital, positioning us as an integrated service provider in the renewable energy sector.

PROCESSES, SYSTEMS, AND INSTITUTIONAL KNOWLEDGE

Our institutional knowledge is preserved and enhanced through structured processes and systems that support decision-making and operational consistency. We have built a strong framework of internal protocols that ensure reliability, compliance, and excellence in execution. These include:

- Environmental Management Systems
- Project Management Manuals
- Financial and Accounting Controls
- Human Resource Policy & Procedure Manual

These systems serve not only to ensure operational discipline and compliance with regulatory standards, but also to

create an environment where innovation and quality can thrive. Our policies are dynamic, regularly reviewed and refined to meet evolving business needs and industry benchmarks.

COLLABORATIVE WORK CULTURE AND ORGANIZATIONAL LEARNING

We are proud of the inclusive and collaborative culture we have cultivated. Resus Energy fosters a work environment that encourages knowledge exchange, cross-functional teamwork, and mutual respect. Our employees, drawn from diverse backgrounds and disciplines, bring unique perspectives that enrich our organizational learning and help us innovate continuously. This collaborative ethos enhances productivity, supports professional development, and contributes to high employee retention and engagement, key indicators of a strong intellectual capital base.

Additionally, Resus has paid extra emphasis on enhancing organizational competency in the year of consideration and invested in multiple technical training programs considering it as a long-term investment.

ETHICS, GOVERNANCE, AND REGULATORY COMPLIANCE

Our operations are governed by a deep-rooted commitment to integrity, transparency, and accountability. Moreover, Upholding the highest standards of integrity in all our actions is essential. We ensure strict compliance with all applicable laws, regulations, and industry directives. We are proud to report that, for the year under review, there were no instances of non-compliance with legal or regulatory requirements, underscoring our culture of good governance and ethical conduct.

DRIVING INNOVATION THROUGH INTELLECTUAL AGILITY

Innovation is deeply embedded in our identity. From the early stages of project conceptualization to final execution, we apply creative and context-sensitive approaches. Whether through pioneering engineering designs or adapting new technologies to our operational environments, we strive to remain ahead of the curve.

We actively promote innovation through data-driven decision-making, explore opportunities to apply digital solutions such as automation, remote monitoring, and data analytics to improve the efficiency and reliability of our assets. Innovation at Resus is not limited to technology; it extends to business models, stakeholder engagement, and sustainability practices. Investments in technology, monitoring systems, and operational intelligence have strengthened performance, and improved responsiveness to evolving market and environmental conditions.

RECOGNITION OF EXCELLENCE

The successful integration of environmental stewardship, social responsibility, and sound governance practices into our business operations has been recognized through multiple sustainability awards received during the year of consideration. These accolades reflect not only our operational achievements but also the knowledge, dedication, and innovative thinking of our team.



INTELLECTUAL CAPITAL

SUSTAINABILITY AWARDS RECEIVED DURING FINANCIAL YEAR 2025/26

Institute	Award Ceremony Name	Winner Award	Recognition
CA	TAGS Awards 2026	Silver Award - Power & Energy Industry	for Excellence in Integrated Reporting & Corporate Governance
ACCA	ACCA Sri Lanka Sustainability Reporting Awards 2025	Runner-Up - SME Category	for Sustainability Reporting
CMA	CMA Integrated Reporting Awards 2025	Best Integrated Report - Power & Electricity Sector (Runner-Up)	for Excellence in Integrated Reporting
CMA	CMA Integrated Reporting Awards 2025	Certificate of Compliance	for Excellence in Integrated Reporting



Looking Ahead

As the renewable energy landscape evolves, our intellectual capital will remain a critical pillar of sustainable growth, supporting our mission to create clean energy solutions while generating long-term value for shareholders, customers, communities, and the environment.

ENVIRONMENTAL CAPITAL



At Resus, we recognize that our success is closely linked to the responsible management of the natural resources on which our business depends. As a renewable energy company, we rely on rainfall, river flow, sunlight and land to generate clean electricity. These natural resources are not only essential to our operations but also form the foundation of our business model and our commitment to long-term sustainable value creation.



Managing our environmental capital is not merely a responsibility; it is a strategic priority. We understand that protecting the ecosystems and natural resources that support our operations today is essential to ensuring the resilience and sustainability of our business in the future. Accordingly, environmental stewardship is embedded throughout our operations, guiding the responsible management of water, land, energy, waste, emissions and biodiversity while continually reducing our environmental footprint.

Renewable energy represents a practical pathway towards a low-carbon future by reducing reliance on fossil fuel-based electricity generation and supporting climate action. At the same time, we recognize that renewable energy development must be undertaken with careful consideration of local ecosystems, communities and regulatory requirements. From project planning and design to construction, operation and ongoing monitoring, environmental

considerations remain integrated throughout the project lifecycle, enabling us to generate clean electricity responsibly while contributing to a more sustainable future.

CLIMATE AND US

Climate change and the availability of natural resources continue to have a significant influence on our operational performance, creating both opportunities and challenges. Increased rainfall in catchment areas can enhance hydropower generation, while favorable solar irradiance supports the performance of our solar assets. Conversely, prolonged dry periods, floods, landslides and other extreme weather events can affect power generation, infrastructure reliability and operational continuity.

At Resus, we remain committed to proactively identifying and responding to climate related risks and opportunities. Through continuous monitoring of weather patterns, rainfall and

environmental conditions, together with preventive maintenance and site-specific risk management practices, we strengthen the resilience of our renewable energy portfolio. These measures enable us to adapt to changing climatic conditions while supporting the reliable generation of clean energy for the national grid.

OUR OPERATIONS AND ENVIRONMENT

Hydropower projects are inherently location-dependent, as their key operational parameters, including “head” and “water flow”, are directly influenced by the geographical characteristics of the site. Land and water therefore play a fundamental role in the development and operation of our hydropower assets, underpinning their performance and long-term viability.

Water is the primary environmental capital input in the value creation process of hydropower generation. Within our run-of-the-river operations,

ENVIRONMENTAL CAPITAL

water is diverted for electricity generation and subsequently returned to the same river system downstream, ensuring its continued availability for ecological and community use. All projects are designed to maintain an appropriate environmental flow at the weir, supporting aquatic ecosystems and the needs of downstream users. Site-level controls are also implemented to safeguard water quality and minimize potential impacts arising from operational activities.

Our solar power projects are typically developed in areas with suitable land availability and favourable solar irradiance conditions. The performance of these projects is influenced by factors such as sunlight intensity, cloud cover and site-specific characteristics. As such, land represents a critical resource in the development of solar energy projects, requiring careful management from the design stage through to ongoing operations to achieve optimal performance and sustainable outcomes.

During the project design and development phase, careful attention is given to ensuring that land and water resources are utilized efficiently and responsibly. Any significant deviation from optimal design parameters could result in less effective resource utilization and reduced operational performance. Our environmental compliance framework incorporates the requirements of the Central Environmental Authority (CEA), relevant government institutions and internal ESG protocols, supporting responsible resource management across all operations.

The following five priorities guide our environmental capital management approach:

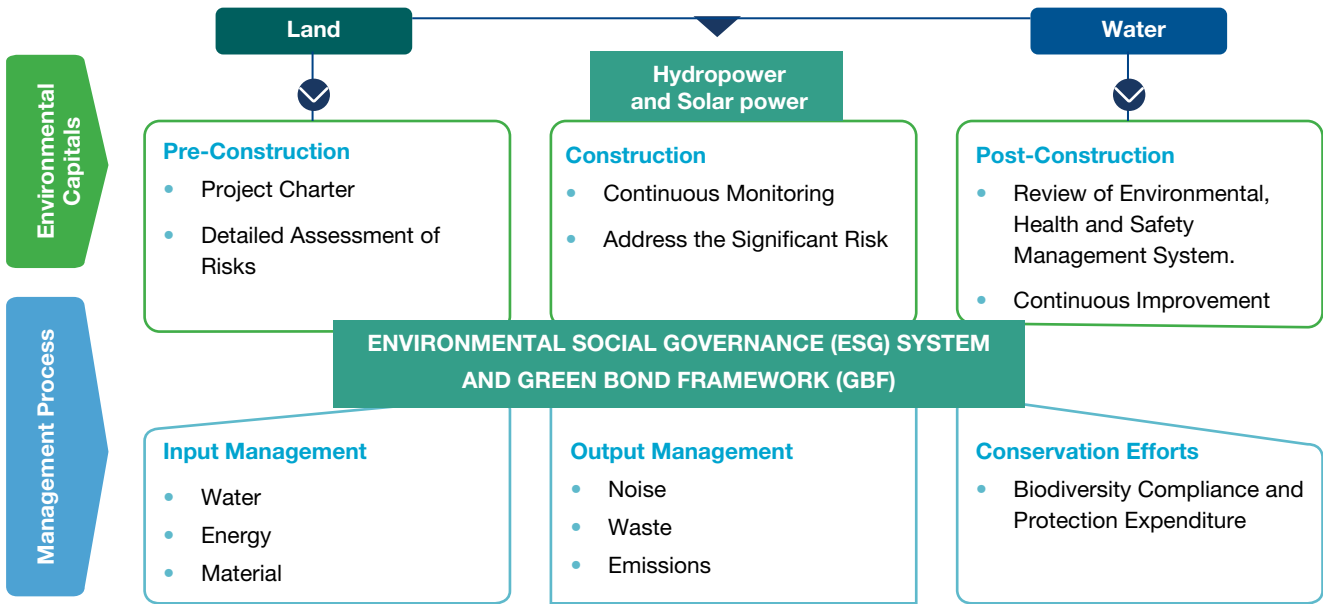
- Conservation and efficient utilization of natural resources
- Sustainable waste management practices
- Reduction of environmental pollution during construction and operation

- Optimization of project design to minimize environmental and social impacts
- Proactive stakeholder engagement to manage localized environmental and social impacts

POLICY OF ENVIRONMENTAL CAPITAL MANAGEMENT

Unlike physical assets like buildings and machinery, which can be rebuilt or renovated, most natural resources are finite and cannot be replaced once lost. Our name, "Resus", combining Renewable Energy and Sustainability, reflects our core belief. It guides us to maintain the highest standards of environmental care in our developments and operations.

We are fully committed to using the best environmental practices to protect and preserve these vital natural resources for future generations.



PRE-CONSTRUCTION PHASE

Before initiating any development project, a comprehensive risk assessment is conducted to evaluate the potential ESG impacts. A Project Charter is then signed off to formalize the process. Our team systematically identifies and assesses the key ESG risks associated with the project, in alignment with our ESG policy, objectives, targets and indicators. These assessments are integrated into the Site-Specific Environmental Social Governance Plan (SSESGP) as well as the Green Bond Framework (GBF), aligning with the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA).

CONSTRUCTION PHASE

We ensure full compliance with environmental regulations established by the Central Environmental Authority, as well as with our internal environmental management policies. Our policies are designed in line with the following standards and guidelines and incorporate elements of the Equator Principles, often exceeding the requirements of applicable state regulations.

- ISO 14001:2015
- ISO 45001:2018
- UN Sustainable Development Goals (SDGs)
- ICMA Green bond principle

Compliance with our Site-Specific Environmental Social Governance Plan (SSESGP) is a key responsibility of our in-house project development team for all projects. Our Senior ESG Manager maintains oversight through regular site visits, verifying adherence to the ESG system and implementing actions to address the risks and opportunities identified through the ESG framework.

Furthermore, external contractors and material suppliers engaged in our projects are contractually bound by our ESG requirements, which form an integral part of their construction agreements.

To minimize our footprint and optimize sustainability during construction activities, we implement the following core activities under our ESG System:

- Identifying the needs and expectations of Resus stakeholders.
- Assessing the environmental and social aspects, impacts, and hazards of construction activities.
- Mapping out legal requirements and compliance obligations.
- Establishing clear goals, targets, and indicators for continuous tracking.
- Planning and executing on-site mitigation strategies.
- Evaluating operational performance against our set goals and targets using established indicators.

POST-CONSTRUCTION PHASE

Input

The Environmental Social Governance (ESG) system is regularly reviewed at scheduled intervals to ensure that it remains suitable, adequate and effective. The outcomes of these management reviews include decisions and actions relating to potential improvements to the ESG policy, goals, targets, indicators and other elements of the system, in line with our commitment to continuous improvement.

Significant investments are made to maintain high standards of aesthetics across our project sites, creating a pleasant and environmentally

responsible setting through carefully planned landscaping that complements the surrounding natural environment. Through these efforts, we seek to ensure that our renewable energy projects are developed and operated in a manner that maximizes benefits for the environment, employees, society and the nation.

INPUT MANAGEMENT

Water Management

GRI 3-3 | 303-1 | 303-2 | 303-3 | 303-4 | 303-5

Consistent with the SSESGP Resus ensures better utilization of its key input Water in Preconstruction, Construction and Post Construction phases. During the construction phase, river water is tested where required to assess potential pollution risks, with external consultants such as the Industrial Technology Institute or the National Water Supply and Drainage Board engaged to conduct such assessments.

The Company maintains strict controls to prevent water contamination at project sites by not permitting contractors to construct temporary or permanent structures close to riverbanks and with closely monitored sanitation facilities, waste disposal practices and site level activities.

Additional controls are also in place to protect the aquatic ecosystem. Fishing within water streams located inside project areas is prohibited, and the handling, storage and use of fuels and chemicals are strictly regulated and monitored. Regular site-level monitoring is carried out to identify and address any potential issues that may affect water quality.

ENVIRONMENTAL CAPITAL

Resus develops and operates small-scale hydropower projects based on the run-of-the-river model. Under this model, water is diverted for electricity generation without being stored in large reservoirs, distinguishing our operations from conventional large-scale hydropower systems. This allows the Company to utilize water as a renewable resource while maintaining the continuity of the natural river flow.

At our power plants, water sourced from sub-streams and tube wells is used for drinking and other domestic purposes. Municipal water is used only at selected locations, including the Giddawa, Huluganga and Moragaha Oya plants.

During power generation the water used is returned to the same river without any pollution or depletion. In fact, water is naturally purified and cleared of debris during the process, as most of the trash carried by the river is captured by trash

tracks installed in the diversion channel and removed. The water discharge point is located within 1km radius downstream of the diversion point at all our power plants.

The Company also maintains environmental flow at the weir of each hydropower project to support aquatic habitats and community needs. These practices reflect the non-consumptive nature of our hydropower operations and our commitment to responsible water stewardship.

Water Consumption

Description	Water Usage (m³)		Water Recycled (m³)		Percentage Recycled (%)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Municipal/ Drinking Water	823	2,054	-	-	-	-
Ground Water	385	525	-	-	-	-
Surface Water	342,450,282	387,261,047	342,449,161	387,259,668	99.99%	99.99%
	342,451,490	387,263,626	342,449,161	387,259,668	99.99%	99.99%



Giddawa Wier

ENERGY MANAGEMENT

GRI 3-3 | 302-1 | 302-4

As a green energy provider, we are committed to minimizing energy consumption across all companies within the Group. Our energy efficiency initiatives include the integration of natural lighting and ventilation in building designs, the adoption of LED technology, and the installation of individual air conditioning units to enable more precise control of energy usage when not needed. Additionally, we maintain air conditioning settings between 23°C and 26°C to optimize energy usage and foster a culture among staff that encourages turning off equipment when it is not in use.

Energy Consumption by Source

Source	2025/26	2024/25
Diesel for Vehicles (Ltrs)	9,100	9,386
Petrol for Vehicles (Ltrs)	5,355	4,670
Fuel for Generators and Others (Ltrs)	1,260	491

MATERIALS MANAGEMENT

GRI 3-3 | 301-1

Our resource management has been streamlined for efficiency. Material consumption this year includes resources used for the Ampara 2 MW Solar Power Plant, which was completed recently. We exclusively purchase materials from external suppliers who are committed to ethical, social and environmental practices. In the supplier evaluation process, we have integrated ESG requirements, emphasizing a lifecycle perspective in our ESG management approach.

Material Consumption

Type	Measurement Unit	Quantity Used	
		2025/26	2024/25
Structural Steel	Metric Tons	22	54
Portland Cement	50 kg Bags	1,120	2,800
Fine Sand	Cubes	30	75
Coarse Aggregate	Cubes	40	100

Note: Material values represent the consolidated material footprint of renewable energy infrastructure development activities during the respective reporting periods.

OUTPUT MANAGEMENT

Noise Management

Noise level assessments are carried out routinely both at project development phase and operational phase in collaboration with recognized professional institutions, such as Industrial Technology Institute (ITI) and the National Institute of Occupational Safety and Health, where required.

Ambient noise levels are also monitored at site level using scheduled digital monitoring methods. These activities are carried out in line with the Company’s

Monitoring and Measurement Plan under the ESG System, enabling regular tracking and timely corrective action where necessary.

Prior to the commencement of construction activities, baseline noise assessments are conducted to establish the existing sound environment at project sites. Follow-up monitoring is carried out every six months to compare changes, identify trends and support operational control measures.

During construction, noise-generating activities are carefully supervised. Blasting activities, where required, are conducted under the supervision of a qualified mining engineer, while contractors are not permitted to use poorly maintained machinery at project sites. These controls help reduce excessive sound emissions and minimize disturbance to the surrounding environment.

The Company manages site-level noise within the maximum permissible limits prescribed by national regulations. Noise levels are assessed against the thresholds specified under Noise Control Regulation No. 1 of 1996, Schedule III of the National Environmental Act.

Operational Period	Statutory Assessment Metric	Maximum Permissible Threshold
Daytime	Maximum allowable sound level	75 dB
Nighttime	Maximum allowable sound level	50 dB

Through continuous monitoring, baseline assessments, contractor controls and compliance with statutory limits, Resus seeks to minimize noise-related impacts and maintain responsible engagement with communities located near its project sites.

ENVIRONMENTAL CAPITAL

WASTE MANAGEMENT

GRI 3-3 | 306-2 | 306-3



Figure 1 We convert our kitchen and garden waste to compost



Figure 2 We hand over the Head Office paper waste to waste management company for proper recycling



Figure 3 We create income source from the E-Waste

A structured waste management approach supports the responsible handling, segregation and disposal of waste generated across operations. Waste management activities are carried out in coordination with local municipal authorities and approved third-party waste management service providers.

At construction sites, contractors are required to maintain clean work areas and dispose of waste only through designated collection points. Open burning, uncontrolled disposal and the use of non-biodegradable polythene are prohibited at construction sites and operational power plant locations.

Daily site inspections are carried out by designated project representatives to ensure compliance with waste management procedures. Where non-compliance is identified, corrective actions are taken, including contractual penalties where applicable.

The Company continues to promote the reduction of single-used materials throughout its operations. At power plant locations, employees are encouraged to bring meals in reusable containers or organic alternatives such as banana leaves, thereby reducing disposable lunch sheets and related waste.

Organic kitchen and food waste generated at sites is collected through compost bins or bio cages where available. The compost produced is used for gardening and organic cultivation activities within facility premises.

Paper and other recyclable waste generated from administrative and site operations is segregated and handed over to approved waste management providers for recycling or responsible disposal.

The following table presents the consolidated waste generated and managed across the Group, including operational power plants, project sites and administrative office activities.

Disposed Waste Quantities by Category

Type of Waste	Quantity Disposed (kg)	
	2025/26	2024/25
Kitchen Waste	2,450	2,750
Paper and Other	230	245
Electric Waste	18.7	24
Garden Waste	1,779	5,517
Hazardous Waste	-	-

Emissions Management

GRI 3-3 | 305-1 | 305-2 | 305-3 | 305-6 | 305-7

Resus manages emissions with the objective of reducing the environmental impact of its operations while continuing to expand renewable energy generation. As our core power generation activities are based on renewable energy sources, emissions from generation operations remain minimal compared to fossil fuel-based electricity generation.

During infrastructure development, the use of construction machinery is required on a selective basis. To minimize localized emissions, contractors are required to use well-maintained machinery and equipment at project sites. Machinery that is not in suitable operating condition is not permitted for use, helping to control unnecessary exhaust emissions and improve site-level environmental performance.

The Company also monitors emissions from its vehicle fleet. Company owned and business-use vehicles undergo regular emission testing, and related

records are maintained to support compliance and operational monitoring.

Critical electromechanical equipment used in hydropower infrastructure is procured from reputed international manufacturers. Such equipment is selected with due consideration to operational reliability, efficiency and alignment with the Company's environmental and social sustainability expectations.

Direct and Indirect GHG Emissions

Direct greenhouse gas emissions arise in Resus operations mainly from fuel used in standby generators, site level machinery and company vehicles used for business travel. Indirect emissions are associated with electricity consumed at facilities and administrative locations, while other indirect emissions include business-related air travel undertaken by Group personnel.

The Company continues to promote energy-efficient practices across its operations with LED lighting, optimized air-conditioning settings and responsible power management measures. Business travel emissions are also monitored and reported as part of the Group's broader greenhouse gas emissions inventory, supporting improved visibility of indirect emissions associated with operational and business development activities.

Due to the renewable nature of the Group's power generation portfolio, core facilities do not release ozone-depleting substances and do not generate significant emissions of Nitrogen Oxides (No_x), Sulphur Oxides (SO_x) or other major air pollutants.

Scope	Emission Category	Emission of GHG (tCO ₂ e)	
		2025/26	2024/25
Scope 1	Fuel Consumption for Generators	40.20	33.53
	Fuel Consumption for Machineries at sites		
	Fuel Consumption for Transportation/ Vehicles for Business Use		
Scope 2	Electricity Consumption	88.55	61.60
Scope 3	Business Purpose Air Travel	18.60	2.40

ENVIRONMENTAL CAPITAL

CARBON FOOTPRINT

GRI 3-3 | 305-5

The design and operation of Company’s power projects are focused on minimizing avoidable emissions. During construction, the use of heavy machinery is managed carefully, and emissions from necessary equipment such as concrete mixers, excavators and small generators are kept to the minimum practical level.

Operational power plants also support resource efficiency by using self-generated renewable electricity for localized internal consumption where possible. This reduces dependence on external electricity sources and contributes to lowering the Company’s overall operational footprint.

The Company’s renewable energy generation contributes to the reduction of national grid emissions by displacing electricity that may otherwise be generated using fossil fuel-based sources. This supports broader climate change mitigation efforts while contributing clean electricity to the national grid.

Avoided emissions are presented separately from the Company’s Scope 1, Scope 2 and Scope 3 GHG inventory. They represent the estimated grid emissions displaced by renewable electricity supplied to the national grid and are not deducted from the Company’s gross reported emissions.

Net emission reductions are calculated using a three-year average grid emission factor of 0.7123 tCO₂/MWh, based on the 2022 baseline dataset published by the Sri Lanka Sustainable Energy Authority.

GHG Emission Avoided		
	2025/26	2024/25
Electricity Generation from fully owned power plants (GWh)	64.70	62.30
Avoided GHG Emissions (tCO ₂ e)	46,086	44,392

The Group has implemented a Clean Development Mechanism framework for selected hydropower assets, including the Gomale Oya, Moragaha Oya and Upper Huluganga projects. During the financial year, Resus further strengthened its carbon asset management position by obtaining authorization from the UNFCCC governing body to issue Carbon Emission Credits in Sri Lanka.

The remaining clean power plants that are not included under the CDM framework are covered under the Renewable Energy Certificates programme. This enables independent tracking of renewable electricity generation and supports corporate consumers in managing their own carbon footprints through verified renewable energy attributes.

Gomale Oya Hydro Power Plant.



CONSERVATION EFFORTS

Resus places a high priority on environmental protection and the promotion of low carbon, sustainable operations as a core aspect of their corporate strategy. Our unwavering commitment is to build a trailblazing, environmentally responsible enterprise that not only leads the way in green innovation but also sets a new standard for corporate sustainability, ensuring a positive impact on both the planet and future generations.

Biodiversity

GRI 3-3 | 304-1 | 304-2 | 304-3 | 304-4



Our projects are meticulously designed and operated to ensure minimal disruption to natural ecosystems and local livelihoods. The preservation of biodiversity is a fundamental priority, seamlessly integrated into our ESG System. We are unwavering in our dedication to safeguarding the environment, going above and beyond to ensure that every aspect of our operations contributes to the protection and enhancement of the planet’s rich ecological heritage, setting a benchmark for sustainable development in industry.

During the project planning phase, we invest significant resources to thoroughly identify and assess local flora and fauna species. This proactive approach ensures that we not only comply with environmental regulations but also lead the industry in biodiversity protection, setting new standards for responsible and sustainable project development.

Our commitment to safeguarding wildlife is embedded in every stage of planning, making environmental stewardship, a cornerstone of our operations.

Operational Sites in or Adjacent to Protected Areas

Resus recognizes that certain hydropower assets such as Magal Ganga, Gomale Oya and Ranwala Oya projects are located near areas of high

biodiversity value and are designed and managed with careful planning, monitoring and operational controls.

All project infrastructure is assessed against site specific environmental sensitivities to minimize disturbance to habitats and species. Ground mounted solar projects are developed on previously used or low vegetation lands wherever possible, reducing the likelihood of impacts on sensitive ecological areas.

Significant Impacts on Biodiversity

Resus applies engineering and layout modifications where required to reduce potential biodiversity impacts during project development. These measures are implemented to protect natural habitats, wildlife movement and surrounding vegetation.

At the Magal Ganga Mini Hydropower Plant, a covered water channel was constructed to reduce the risk of wildlife falling into the diversion canal. The channel alignment was also adjusted from its original route to minimize tree clearing and disturbance to mature vegetation.

At the Gomale Oya Hydropower Project, excavation and land clearing activities were confined to a narrow project footprint. This helped reduce impacts on surrounding vegetation and avoided significant disturbance to identified flora and fauna within the project area.

Habitats Protected or Restored

Project teams continue to monitor ecosystem conditions around operational sites and project locations. Through the Knuckles Forest Enrichment Programme and site level green initiatives, the Company contributes to habitat restoration, catchment protection and sustainable land management.

Greenhouse and organic cultivation initiatives near selected mini hydropower and solar project locations further support responsible land use. These initiatives also contribute to the Company’s broader alignment with SDG 2: Zero Hunger and SDG 15: Life on Land.

Species Conservation Status

The Group monitors identified flora and fauna species within relevant project areas with reference to IUCN Red List categories and national conservation classifications. This enables the Company to understand species sensitivity and strengthen mitigation measures where required.

Fauna and Flora Species found at Gomale Oya project site - IUCN Red List 2007

Conservation Status	No. of Fauna Species	No. of Flora Species
Near Threatened	2	-
Vulnerable	2	8
Critically Endangered	-	1
Endangered	-	1

Through baseline assessments, engineering controls, habitat restoration and species monitoring, Resus continues to strengthen biodiversity protection across its renewable energy portfolio.

Compliance And Expenditures

GRI 3-3 | 2-27

The Group has maintained full compliance with environmental laws and regulations throughout the financial year, with no fines or penalties incurred because of our project development activities. Our unwavering dedication to environmental stewardship ensures that our projects not only meet regulatory requirements but also contribute to

ENVIRONMENTAL CAPITAL

the long-term health and sustainability of natural habitats, setting an industry leading example in ecological responsibility.

Environmental protection measures are incorporated from the design and construction stages of each project. The Company continues to make necessary investments in engineering solutions, compliance measures and site-level controls that support responsible development and long-term ecosystem protection.

Compliance with Laws and Regulations

During the reporting year, we complied with applicable environmental laws, regulations and statutory requirements across its project development and operational activities. This compliance is supported by the Company's ESG System, internal monitoring procedures and site-level controls.

The Group did not record any environmental fines, non-monetary sanctions or legal penalties during the reporting period.

Compliance Indicator	2025/26
Environmental fines	0
Non monetary sanctions	0
Legal penalties relating to environmental matters	0

Through these measures, Resus continues to strengthen environmental compliance, biodiversity protection and responsible resource management across its renewable energy portfolio.

ESG RISKS AND OPPORTUNITIES

(GRI 201-2)

Power Source	Risk	Opportunities	Mitigating Measures
Solar Power	- Solar energy production is highly dependent on sunlight, and cloudy, rainy or monsoon weather can reduce power generation. - Lower than expected energy output may occur due to shading, dust accumulation, vegetation growth, panel degradation or equipment failures. - Changes in tariffs, grid connection requirements, environmental laws or energy sector regulations can affect financial returns. - Extreme weather events such as lightning, floods and strong winds may damage panels, mounting structures and electrical systems.	- Solar power supports Sri Lanka’s target of achieving 70% renewable energy generation by 2030 and contributes to climate change mitigation. - Solar plants create opportunities for employment in construction, operation, cleaning, vegetation control and maintenance. - Green Bond financing creates opportunities to expand eligible ground mounted solar PV projects and strengthen investor confidence.	- Utilize underutilized or suitable land to minimize land use concerns. - Adopt new technologies and monitoring systems to improve solar power efficiency. - Conduct environmental assessments before project development. - Carry out regular panel cleaning, vegetation control and preventive maintenance. - Develop and update disaster preparedness and emergency response plans.

Power Source	Risk	Opportunities	Mitigating Measures
Hydro Power	- Hydropower generation depends on rainfall, river flow and catchment conditions; droughts or irregular rainfall patterns can reduce generation capacity. - Sri Lanka lost 16 kha of natural forest in 2025, equivalent to 5.8 MtCO₂ emissions; forest loss and catchment degradation can increase erosion, sedimentation and flood related risks. - Landslides, floods, sediment buildup and debris flow can damage weirs, canals, penstocks, access roads and powerhouses. - Stricter environmental regulations, water use requirements or permitting standards can increase compliance obligations. - Poor stakeholder engagement may lead to community concerns or operational disruption.	- Run of river hydropower generates renewable electricity with low operational emissions and supports national clean energy targets. - Hydropower plants create employment opportunities for surrounding rural communities. - Proper sediment management, trash rack cleaning and water flow management support responsible water stewardship. - Upgrading older hydropower plants can improve efficiency and extend operational life.	- Conduct thorough environmental assessments before project development. - Maintain daily environmental-flow monitoring and regular cleaning of e flow openings. - Implement trash rack cleaning, desilting and sediment management practices - Conduct regular inspections of weirs, canals, penstocks, access roads and civil structures. - Implement waste reduction, recycling and proper disposal practices to prevent water contamination. - Maintain grievance redress mechanisms and regularly update disaster response plans.

RESUS ESG GOALS

(GRI 3-3)

Resus Goal	Objective/ Target	Indicators	Results of 25/26 year	Target SDG Goal
Active participation in initiatives aimed at reducing poverty in rural areas.	- Recruit workers from the surrounding rural areas for power plant operations. - Organizational profit sharing with workers.	We recruit more than 70% of staff from powerplant neighborhood and incentives are provided according to power generation.	Local Community staffing of Power Plants is 80%	
Provide land for cultivation to meet food requirements at power plants.	Increase the production of crops to provide food for employees.	Harvested 75% of our vegetable and fruit requirements of the Power plants.	45% of vegetable and fruit requirements were harvested from our power plants	

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Resus Goal	Objective/ Target	Indicators	Results of 25/26 year	Target SDG Goal
Maximize the health and well being of employees of the organization.	- Minimize water, soil and noise pollution in construction projects and operations. - Maximize the health and safety practices of employees in construction projects and operational power plants. - Improve employee general health & wellbeing encouraging healthy lifestyles	We maintained noise levels and Total Suspended Solids (TSS) within regulatory standards at the construction site and sustained a zero injury record among employees throughout the year.	- No safety related incidents were recorded during the year. - The Company continued to maintain a safe and healthy work environment through site level supervision, PPE compliance, operational controls, emergency preparedness and regular monitoring of environmental and safety practices.	
Provide education support and training to children, undergraduates, and other trainees.	- Provide free books and stationery to school children of employees. - Provide training for undergraduates from technical colleges and universities. - Facilitate field tours for school children.	We provide technical training annually for a minimum of five students from technical colleges and universities, facilitating at least two educational field visits to operational power plants for school children.	Offering hands on training opportunities for 10 undergraduates from technical colleges and universities.	
Promote a culture of gender equality within the organization.	Enhance the recruitment of female workers from low income areas to promote diversity and inclusivity in the workforce.	A minimum 30% increase in female recruitment, compared to male workers, is targeted for the upcoming solar project commissioning.	During the financial year, 21 employees were recruited. Among them, 2 are female, representing 9.5% of the total hires.	
Transform into an affordable and competitive clean energy provider in Sri Lanka.	To establish as one of the leading low-cost renewable energy companies in the country.	Targeting the addition of 25MW in new renewable energy capacity within three years, while sustaining generation costs below US 7 cents per kWh.	We are constructing a new 2 MW solar power plant in Mahiyanganaya, further strengthening our commitment to sustainable and costeffective renewable energy generation.	

Resus Goal	Objective/ Target	Indicators	Results of 25/26 year	Target SDG Goal
Achieve sustainable economic growth through the generation of renewable energy	• Increase renewable energy generation to reduce greenhouse gas emissions. • Displace thermal power and save generations costs and foreign exchange.	• The initiative aims to avoid 40 million tons of CO₂ emissions annually and save US\$2.5 millions in foreign exchange.	• During the last financial year, we successfully achieved a reduction of 46,086 tons of CO₂ equivalent (tCO₂e) in carbon emissions through our sustainable energy operations and efficiency initiatives. • A total of LKR 1,417,013,220.00 worth of electricity (*Average electricity price 21.9 LKR/kWh) was generated during the year, significantly reducing the need for energy imports and contributing to national energy security.	
Sustain a workforce regardless of gender, religion, race and social class.	• Maintain the healthy gender mix in corporate office and power stations. • Have multi religious & social environment.	• We are committed to sustaining and expanding a diverse workforce with balanced gender, ethnic, and social representation, while creating 50 new employment opportunities for the local community at power plants over the next five years.	• To support the achievement of this target in the current financial year, we recruited 21 new employees without considering any gender, religion, or social class. For the Financial year no newly commissioned Plant.	
Improve the carbon emission reduction initiatives	• Replantation and forest enrichment programs to sustain reducing carbon emissions in the surrounding area of power plants	• Replant minimum of 100 trees per year in surrounding areas of power plants	• A total of 138 trees were planted, exceeding the annual target by 38% and contributing to enhanced carbon sequestration and local environmental sustainability.	

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Resus Goal	Objective/ Target	Indicators	Results of 25/26 year	Target SDG Goal
Enhancing the corporate governance culture within an organization to promote transparency, accountability, and ethical decision-making.	- Voluntary Implementation of numerous Systems & Procedures to sustain a strong corporate governance environment. - Compliance with Corporate Governance Requirements of the Stock Exchange	The organization has established policies in alignment with corporate governance requirements.	We are fully compliant with the Corporate Governance requirements set forth by the Stock Exchange. Our governance framework ensures transparency, accountability, and ethical conduct across all levels of operation, aligning with best practices to safeguard stakeholder interests and promote long-term sustainability.	



Hydro Power Plant contributes to fulfilling a portion of on-site vegetable needs through sustainable farming practices, supporting SDG 2: Zero Hunger and promoting self reliant, environmentally responsible operations.

Site-level Greening Initiatives

Aligned with our commitment to responsible land use and environmental stewardship, the lime planting initiative at Siyambalanduwa Solar Power Plant and Aloe Vera plantation at Mahiyanganaya Solar Power Plant reflect our efforts to enhance green cover, promote productive land management and create greener surroundings within our renewable energy operations, contributing to SDG 15: Life on Land.



Greenhouse at Magal Ganga Mini Hydro Power Plant

Aligned with our Company’s goal to utilize available land for cultivation and support food requirements at power plants, the greenhouse initiative at Magal Ganga Mini



Environmental Awareness Signage at Power Plant Site

Aligned with our commitment to environmental protection and stakeholder awareness, multilingual signage has been displayed at our power plant sites to encourage employees, contractors, visitors and surrounding communities to preserve the natural environment, supporting SDG 15: Life on Land and promoting responsible environmental behavior.

GREEN BOND ISSUE 2025

INTRODUCTION

Driving Sustainable Growth Through Green Finance

In January 2025, Resus Energy PLC ("RESUS" or "the Company") established its Green Bond Framework ("the Framework") as a strategic initiative to strengthen its commitment towards sustainable financing and accelerating Sri Lanka's transition to a low carbon economy. The Framework was developed in alignment with the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021, including the June 2022 Appendix and the Sri Lanka Green Finance Taxonomy (SLGFT), providing a robust foundation for the issuance, management and reporting of green bond proceeds.

By adopting globally recognized green finance principles alongside Sri Lanka's national sustainable finance framework, RESUS has reinforced its commitment to ensuring that funds raised through green financing instruments are directed towards projects that deliver measurable environmental benefits. The Framework establishes clear eligibility criteria for the allocation of proceeds towards renewable energy initiatives, including ground mounted solar photovoltaic (PV) projects and operational small hydropower projects, contributing towards climate mitigation, renewable energy expansion and national decarbonization objectives.

The Framework underwent an independent pre-issuance review and assurance engagement by Deloitte Associates Sri Lanka ("Deloitte"), providing stakeholders with enhanced confidence that the Company's green financing approach is aligned with internationally accepted standards, transparent governance practices and sustainability objectives.

Sri Lanka's First Green Bond Issuance by a Non-Banking and Finance Company

RESUS successfully launched Sri Lanka's first Green Bond issuance by a non-banking and finance company in June 2025, marking a significant milestone in the evolution of the country's sustainable capital markets. The issuance comprised up to 10,000,000 senior, listed, rated, unsecured, redeemable green bonds, each with a par value of LKR 100, with the objective of raising up to LKR 1 Bn to support the financing of renewable energy projects and optimize the Company's capital structure.

The issuance received an A- (Ika) rating from Fitch Ratings Lanka Limited, reflecting the Company's financial standing and the strength of the underlying renewable energy portfolio supported by the Green Bond proceeds.

This landmark transaction represents more than a financing milestone, it demonstrates RESUS's commitment to creating long term value by connecting capital markets with sustainable infrastructure development. Through this initiative, the Company has provided investors with an opportunity to participate in Sri Lanka's renewable energy transition while supporting national climate objectives.

Allocation of Green Bond Proceeds and Environmental Contribution

The proceeds raised through the Green Bond issuance have been allocated in accordance with the Framework towards eligible renewable energy projects and related financing activities. The proceeds from the Green Bond issuance have been allocated towards refinancing renewable energy related borrowings and supporting the development of ground-mounted

solar photovoltaic projects. Through these financing arrangements, RESUS continues to advance its role as a responsible energy producer, supporting the achievement of the United Nations Sustainable Development Goals (SDGs), particularly: SDG 7 (Affordable and Clean Energy) by expanding access to renewable energy sources and SDG 13 (Climate Action) by supporting initiatives that contribute to greenhouse gas emission reduction and climate resilience.

This Green Bond Report as at 31st March 2026, incorporated within the Company's Annual Report, provides investors, lenders and other stakeholders with a comprehensive overview of the utilization of proceeds and the environmental outcomes achieved during the reporting period. To further strengthen credibility and investor confidence, RESUS has engaged Deloitte Associates Sri Lanka to perform an independent post-issuance assurance engagement over the Green Bond reporting.

Through this Green Bond initiative, RESUS continues to demonstrate that sustainable finance can serve as a catalyst for renewable energy growth, financial resilience and long-term stakeholder value creation. The Company remains committed to expanding its contribution towards Sri Lanka's clean energy transition while maintaining the highest standards of transparency, governance and environmental responsibility.

GREEN BOND ISSUE 2025

GREEN BOND STRUCTURE

Overview of the Framework

The RESUS Energy PLC Green Bond Framework establishes the governance structure and processes for the identification, evaluation, selection, allocation and reporting of Eligible Green Projects financed through Green Bond proceeds.

USE OF PROCEEDS (ELIGIBILITY CRITERIA)

- Financing, development, acquisition, expansion and management of small hydropower and ground- mounted solar PV plants with<10MW capacity.
- Refinancing the operations of small hydropower and ground-mounted solar PV plants commissioned during the 4 years preceding issuance of the proposed Green Bond, conditional upon financing approval through other financial instruments or institutions.
- For hydropower plants: The hydropower plant is a run-of-river plant and does not have an artificial reservoir; or Power density >5W/m²; or Lifecycle GHG emissions from the generation of electricity from the hydropower <100gCO₂e/kWh with verification by an independent third party.

PROCESS FOR PROJECT EVALUATION AND SELECTION

- Project evaluation and selection is governed by the Sustainability Financing Working Group (SFWG), chaired by the Managing Director and comprising the Head of Projects, Head of Engineering, Senior Manager-ESG, HR Manager and the Chief Financial Officer.

MANAGEMENT OF PROCEEDS

- Green Bond proceeds will be credited to a separate bank account and managed using a portfolio approach. All proceeds will be fully allocated to Eligible Green Projects within 24 months of issuance.
- Unallocated funds will be temporarily held in cash, cash equivalents or Sri Lankan government securities in accordance with RESUS Energy's cash management policies.

REPORTING

- An Allocation Report will be published quarterly until Green Bond proceeds are fully allocated, after which it will be published on an annual basis.
- An Impact Report will be published annually.
- Allocation and impact reports will be publicly disclosed in the Annual Report.
- Annual allocation and impact reports will undergo review by an Independent External Verifier.

Green Bond Issuance

In June 2025, RESUS Energy PLC successfully completed its inaugural Green Bond issuance, marking a significant milestone in the Company's sustainable finance journey.

Issuer	Resus Energy PLC
Type	Senior, Listed, Rated, Unsecured, Redeemable Green Bonds
Tenure	Type A: 4 years
Type B: 5 years	
Interest Rate	Type A: Fixed at 11.55% p.a.
Type B: Fixed at 11.75% p.a.	
Coupon Frequency	Annual
Capital Repayment	Bullet repayment at maturity
Issue Size	Up to LKR 1,000,000,000 (LKR 1 Bn)
Issue Price	LKR 100 per bond

Allocation of Green Bond Proceeds

As of 31 March 2026, RESUS Energy PLC has successfully allocated 100% of the LKR 1,000 Mn Green Bond proceeds towards eligible renewable energy projects in accordance with the Company's Green Bond Framework.

Report on Allocation of Proceeds as of 31 March 2026

	Value (LKR Mn)	Allocation (LKR Mn)	Allocation (%)	Unallocated (LKR Mn)	Unallocated (%)
Allocation of Proceeds	1,000	1,000	100%	–	0%

Utilization of Proceeds as of 31 March 2026

Eligible Category	Type	Allocation (LKR Mn)	Allocation (%)	Utilization (LKR Mn)	Utilization (%)
Renewable Energy - Hydropower and solar (refinanced)	Refinanced projects	448.29	44.83%	446.32	44.63%
Renewable Energy - New ground mounted solar plants	New projects	551.71	55.17%	533.75	53.38%
		1,000.00	100.00%	980.07	98.01%

GREEN BOND ISSUE 2025

Impact Report

Eligible Category	Impact Indicator	Actual Environmental Impact	Estimated Environmental Impact
Renewable Energy – Ground mounted Solar	Number of eligible projects in operation	1	
	Capacity of renewable energy plants (MW) in operation	5	
	Annual renewable energy generation (kWh)	7,446,200	
	Grid Emission Factor (kg-CO ₂ /kWh)	0.6803	
	Annual reduced/avoided greenhouse gas emissions (tCO ₂)	5,066	
	Annual avoided/reduced greenhouse gas emissions (tCO ₂ e)	5,088	
	Number of eligible projects under construction		2
	Capacity of renewable energy plants (MW) under construction		3
	Estimated annual renewable energy generation (kWh)		5,873,730
	Grid Emission Factor (kg-CO ₂ /kWh)		0.6803
	Estimated annual reduced/avoided greenhouse gas emissions (tCO ₂)		3,996
	Estimated annual reduced/avoided greenhouse gas emissions (tCO ₂ e)		4,014

Impact Methodology and Metrics

1. The environmental impacts of Resus' Green Bond Asset Portfolio are reported to an extent practicable and where robust and widely accepted methodologies are available. All environmental impacts disclosed are estimates derived from available actual data or, where necessary, appropriate proxy data.

2. Impact reporting for Resus' Green Bond Asset Portfolio is guided by the core indicators and recommendations set out in the International Capital Market Association's (ICMA) Harmonized Framework for Impact Reporting.

3. The number of eligible projects refers to ground mounted solar projects that are either in operation or under construction.

4. The reported capacity of renewable energy plants represents the installed capacity, expressed in megawatts (MW), of ground-mounted solar projects that are either in operation or under construction.

5. Annual renewable energy generation (kWh/year) refers to the actual electricity generated on an annual basis by solar projects that are in operation. Estimated annual renewable energy generation (kWh/year) represents the expected electricity output upon completion
- of projects that are currently under construction.

6. As of the reporting date, only the Damana 5 MW ground mounted solar project was operational and generated 7,446,200 kWh of electricity. The Damana 2 MW and Pallekele 1 MW projects were under construction; therefore, their environmental impacts are based on estimated annual electricity generation.

7. The estimated annual renewable energy generation for projects under construction has been determined using project-specific technical documents as follows:

I. Damana 2 MW Solar Project: Estimated annual generation of 3,915,820 kWh, based on the highest annual generation estimate provided in the project's Standardized Power Purchase Agreement (SPPA).

II. Pallekele 1 MW Solar Project: Estimated annual generation of 1,957,910 kWh, based on the Pre-Feasibility Report, which includes energy yield simulations performed using PVsyst software.

8. Annual GHG emissions reduced or avoided (tCO₂/year) represent the emissions that would have occurred in the absence of the project. For
- operational projects, this is calculated by multiplying the actual electricity generated (kWh) by the applicable grid emission factor. Estimated annual GHG emissions avoided (tCO₂/year) for projects under construction are calculated by multiplying the estimated electricity generation at completion (kWh) by the same emission factor.

9. Grid electricity emissions are dominated by CO₂, with methane (CH₄) and nitrous oxide (N₂O) contributing only a small fraction of total emissions from stationary combustion. Based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (Table 2.2: Default Emission Factors for Stationary Combustion in Energy Industries), the combined contribution of CH₄ and N₂O is estimated at 0.45% of CO₂ emissions for grid-connected fossil-fuel electricity generation. Accordingly, for the purpose of tCO₂e calculations in this report, the "e" component (i.e., CH₄ + N₂O) is incorporated by applying a factor equal to 0.45% of the CO₂ emissions value.

10. Environmental impacts are calculated at the individual project level and reported in aggregate on a portfolio basis. Portfolio level impacts represent the sum of project-level environmental impacts from eligible projects included within the Green Bond Asset Portfolio.



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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF RESUS ENERGY PLC ON THE INFORMATION CONTAINING IN THE IMPACT AND ALLOCATION REPORT AS AT 31 MARCH 2026 PERTAINING TO THE 2025 GREEN BOND ISSUANCE.

SCOPE

Resus Energy PLC (the “Company”) issued a Green Bond under its 2025 Green Bond Framework, on 25 June 2025, and was outstanding as of 31 March 2026.

Resus Energy PLC used the proceeds of the Green Bond to finance the nominated projects falling under the following eligible green project categories as detailed in the 2025 Green Bond Framework (June 2025):

1. Objective 1 – Settlement of Term Loans: LKR 240.23 million, representing 24.02% of the total proceeds;
2. Objective 2 – Settlement of Commercial Papers obtained for the redemption of debentures: LKR 208.06 million, representing 20.81% of the total proceeds; and
3. Objective 3 – Financing Solar Power Projects: LKR 551.71 million, representing 55.17% of the total proceeds.

We have been engaged by Resus Energy PLC (the “Company”) to perform a limited assurance engagement, as defined by Sri Lanka Standard on Assurance Engagements, to report on the alignment of the Impact Report and the Allocation Report (“Subject Matter”) to the 2025 Green Bond Framework (“Criteria”) issued by the Company.

No assurance is provided regarding the financial performance of the green bonds or the long-term environmental impact of the transactions. Our objective is to provide an assurance statement for allocation and use of proceeds up to 31 March 2026 from the green bond issued by the Company on 25 June 2025.

The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.



CRITERIA APPLIED BY THE COMPANY

In preparing the Impact Report and Allocation Report as of 31 March 2026 pertaining to the Resus Energy PLC Green Bond Framework, the company applied the 2025 Green Bond Framework ("Criteria") issued by the company.

MANAGEMENT'S RESPONSIBILITY

The Company's management is responsible for the reporting on the use of proceeds, process for project evaluation and selection, management of proceeds, in accordance with the 2025 Green Bond Framework in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error. The management of Resus Energy PLC has provided the information and data used by us during the delivery of this assurance.

OUR RESPONSIBILITY

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. The standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Sri Lanka Standard on Quality Management (SLSQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Impact Report and the Allocation Report pertaining to the 2025 Green Bond Framework issued by the company and related information and applying other appropriate procedures.

Our procedures included:

- Checked the 2025 Green Bond Framework of the Company, that provides guidelines and internal process for proceeds management and utilization adopting components and requirements of Green Bond Principles of International Capital Market Association (ICMA) (GBP June 2021). The framework provides list of eligible projects for financing through the Green Bond issuance.
- Conducted interviews with personnel to understand the business and reporting process.
- Inspected related documentations to understand and verify the process for collecting, collating, and reporting the Information containing in the Subject Matter.
- Assessed documentary evidence provided by the Company in relation to the Green Bond and review of internal tracking systems and allocation of funds from the Green Bond proceeds to eligible projects.
- Reviewed the list of eligible projects and assets to which the Green Bond proceeds have been allocated and utilized as of 31st March 2025, ensuring their alignment and conformance with the 2025 Green Bond Framework issued by the Company.

We also performed such other procedures as we considered necessary in the circumstances.



CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been presented, in all material respects, fairly and in accordance with the Criteria defined.

A handwritten signature in blue ink that reads "Deloitte Associates." The signature is written in a cursive, flowing style.

Deloitte Associates

Chartered Accountants

28 August 2026

CORPORATE GOVERNANCE

At Resus Energy PLC, we recognize that strong corporate governance is the foundation for sustainable growth, stakeholder confidence, and long-term value creation. As a company operating in the renewable energy sector, our commitment to ethical conduct, transparency, and accountability is deeply embedded in our operations and decision-making processes. This Corporate Governance Report outlines the governance framework, policies, and practices adopted by the Board of Directors and senior management to ensure effective oversight, compliance with applicable regulations, and alignment with our strategic objectives. We continuously strive to uphold the highest standards of governance, in line with evolving best practices and our responsibility to contribute to a greener, more sustainable future.

COMPLIANCE SUMMARY

REGULATORY BENCHMARKS

- Companies Act No.7 of 2007 and regulations
- Listing Rules of the Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987, including directives and circulars
- Code of Best Practice on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka (SEC)

INTERNAL BENCHMARKS

- Articles of Association
- Board Approved Policies
- Terms of reference of Board Committees
- Code of Business Ethics

VOLUNTARY CODES AND BEST PRACTICES

- Code of Best Practice on Corporate Governance 2017
- GRI Standards issued by the Global Reporting Initiative
- United Nations Sustainable Development Goals (UNSDGs)
- SLFRS S1 and S2 Standards



CORPORATE GOVERNANCE



CHAIRMAN'S STATEMENT (GRI 2-22)

The trust and confidence placed on us by our stakeholders bears testimony to our integrity and sustained value creation, which in turn reflects our adherence to high standards of governance. Our approach to governance has been based on the belief that high quality governance is essential to the creation of long-term shareholder value and must be pursued resolutely.

We aspire to maintain the highest level of governance standards ensuring that through sound policies and procedures these standards and values are cascaded across the Group. The Board is supported by robust and independent audit and compliance functions that provide effective oversight over the governance process and plays an important role in setting the tone and creating a culture that delivers

sustainable value. Towards this end we focus on creating a values-driven culture at Resus, where everyone

demonstrates the core values of Creativity, Integrity, Concern for People and Planet, Obsession for Performance and Sense of Urgency, making sound governance practices a way of life through our daily operations of the Group.

The level of compliance with the Code of Best Practice on Corporate Governance 2023 (the Code) issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) and the disclosure requirements and continuing listing rules of the Colombo Stock Exchange (CSE) are described in the Report below.

As required in the Code, I hereby confirm that, I am not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Corporate Management of Resus Energy PLC.

H A S Madanayake
Chairman

Colombo, Sri Lanka
31st August 2026

1. CORPORATE GOVERNANCE FRAMEWORK

The Group has in place a well-structured corporate governance framework, which is integral in creating sustainable shareholder value. The corporate governance framework at Resus Energy PLC is built on the core principles of accountability and transparency, which are essential for the creation, enhancement and maintenance of a sustainable business model. The Group has also established its own set of internal benchmarks, processes and structures in meeting accepted best practices in governance, which have lent credence to Resus’s continuous and consistent value creation for its stakeholders. Our cohesive governance structure consists of several governance bodies with well-defined roles and responsibilities, ensures greater accountability and clear reporting lines.

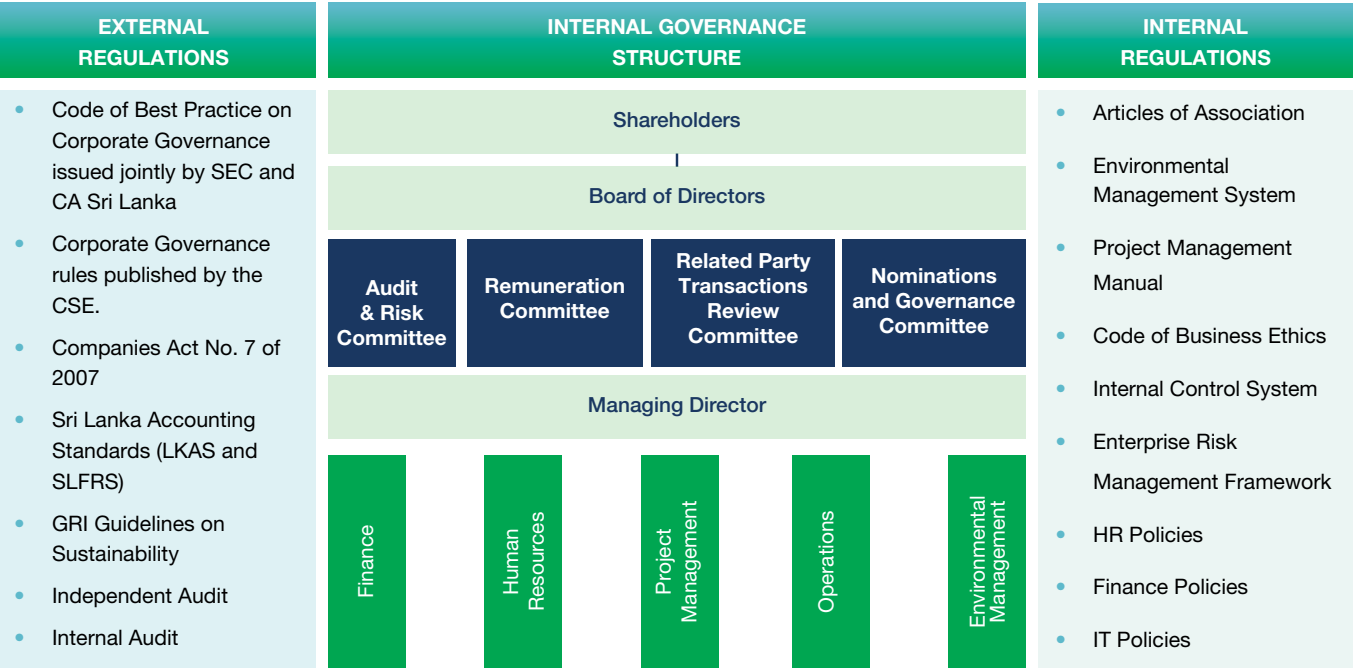
The Company operates with an Integrated Governance framework with due considerations given to Corporate Governance Best Practice issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) and continuing listing rules of the Colombo Stock Exchange (CSE).

The Following Sections Describe In Detail:

- The components of the Resus Corporate Governance System
- Resus’ level of compliance with the above Code comprising the following seven sections
 - A – Directors
 - B – Directors’ remuneration
 - C - Relations with Shareholders
 - D – Accountability and Audit
 - E – Institutional Investors
 - F – Other Investors
 - G – Sustainability Reporting
- The monitoring and review mechanisms in place to ensure strict compliance to the Group’s Governance policy to gain assurance of its effectiveness.

GOVERNANCE STRUCTURE

GRI 2-9, 2-23, 2-24



CORPORATE GOVERNANCE

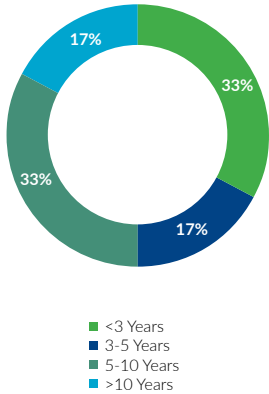
2. BOARD EFFECTIVENESS

2.1 Board Composition and Expertise

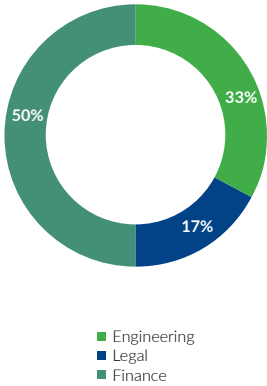
GRI 2-9

Board Composition	
Non-Executive Chairman	
Executive Managing Director	
Non-Independent Non-Executive Directors	
Independent Non-Executive Directors	

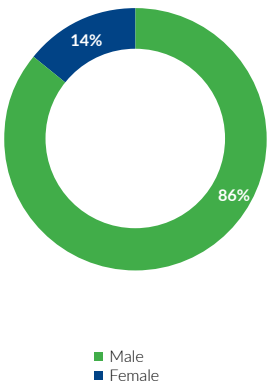
Tenure of Directorship



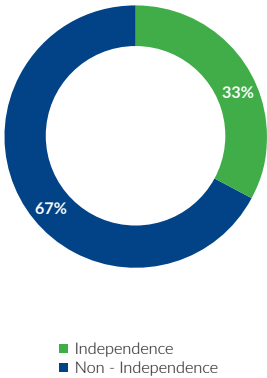
Industry Experience



Gender Diversity



Independence



DIRECTOR’S INDEPENDENCE

DEFINITION

Independence is determined against criteria as set out in the listing Rules of the Colombo Stock Exchange and in compliance with Schedule “C” of the Code

ASSESSMENT

Independent assessment of directors is conducted annually by the board, based on the annual declaration and other information submitted by Non-Executive Directors

OUTCOME

The Board is satisfied there are no relationships or circumstances likely to affect or appear to affect, on director’s Independence during the period under review.

2.1 Role of the Chairman and Managing Director

GRI 2-11

The role of the Chairman is separate from that of the Managing Director which is in line with best practices in Corporate Governance ensuring that no one Director has unfettered power and authority. The Chairman is a Non-Executive Director while the Managing Director is an Executive Director appointed by the Board.

Responsibilities of the Board GRI 2-12	Chairman's Responsibilities	Managing Director's Responsibilities
The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enable risks to be assessed and managed. • Formulation, implementation and monitoring the business strategy. • Placing effective systems to secure the integrity of information, internal controls, business continuity and risk management. • Compliance with laws, regulations, and ethical standards • Consider the interest of all stakeholders in corporate decisions	Chairman leads the Board, preserving good corporate governance and ensuring that it works ethically and effectively, acting in the best interest of the Group. • Ensure that the new Board members are given appropriate induction. • Lead the Board and manage the business of the Board. • Approve the agenda for each Board meeting. • Ensure that the Board members receive accurate, timely and clear information to enable the Board to take sound decisions. • Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors. • Facilitate and encourage discussions among all Directors in the decision making. • Represent the views of the Board to the public	The MD is an Executive Director appointed by the Board and is accountable for implementation of the Group's strategic plan and driving performance. • Formulate, obtain, approvals and implement the Company's strategies and managing the day-to-day operations of the Company. • Developing and recommending budgets to the Board. • Continuously monitoring and reporting to the Board on the performance of the Company. • Establishing an optimum organizational structure which is appropriate for the execution of Company's Strategy. • Compliance with all the applicable legal and regulatory obligations. • Managing the financial and the business risk of the company's operations and identifying the potential risks of the company.

CORPORATE GOVERNANCE

2.2 Board Sub-Committees & Areas of Oversight

GRI 2-9

Board Committee	Composition of Directors	Areas of Oversight
Audit and Risk Committee	• Ms. D C Abeyawardena (C)* • Mr. U P Egalahewa PC *** • Professor N D Gunawardena*	• Integrity of Financial Statements • Risk management • Business Ethics • Internal Controls • Compliance with legal and regulatory requirements • External Audit • Internal Audit
Remuneration Committee	• Ms. D C Abeyawardena (C)* • Mr. U P Egalahewa PC *** • Professor N D Gunawardena* • Mr. H A S Madanayake **	• The Company's remuneration philosophy and the principles of its remuneration policy • Company's framework of executive remuneration • The level and structure of remuneration for Senior Management
Related Party Transactions Review Committee	• Professor N D Gunawardena (C)* • Mr. G A K Nanayakkara (ED) • Ms. D C Abeyawardena * • Mr. U P Egalahewa PC***	• Related Party Transaction Policy • Compliance with the CSE Regulations • Disclosures on related party Transactions in the annual report
Nominations and Governance Committee	• Ms. D C Abeyawardena (C)* • Professor N D Gunawardena * • Mr. H A S Madanayake ** • Mr. U P Egalahewa PC ***	• Evaluate and recommend the appointment/re-appointment/election/re-election of Directors to the Board • Establish and maintain a set of criteria for selection for higher levels of management. • Succession planning • Review and recommend the overall corporate governance framework of the entity.

(C) – Chairman *(INED) - Independent Non-Executive Directors ** (NED) – Non-Executive Directors - (ED) – Executive Director

2.3 Board Evaluation

GRI 2-18

At the commencement of each financial year, the Board in consultation with the Managing Director sets financial and non-financial goals based on the short, medium- and long-term objectives of the Company. The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year. The goals and targets of the Board of Directors set out are evaluated at the end of the year by the members. Further, the Board considers Non-Executive Directors’ independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

2.7 Ethics

Our values and code of ethics ensure that we do the right business in the right way, by complying with relevant laws which in turn enhances the trust placed on us by our stakeholders. Our Code of Conduct & Ethics is communicated to all the employees, detailing our Policies on Anti-Bribery & Corruption, Antiharassment and Whistle Blowing, which applies to all employees and covers all operations. It is aligned to our values, standards, and procedures. The Board is not aware of any material violations of any of the provisions of the Code of Conduct and Ethics by any Director or Corporate Management Member of the entity. Please refer to the Chairman’s statement on Corporate Governance on page 104 for declaration that there is no violation of the code of conduct & ethics.

2.8 Remuneration

GRI 2-19, 2-20

Our Remuneration Policy for the Board of Directors and Key Management Personnel seeks to motivate and reward performance while reinforcing the importance of complying with regulatory requirements, stakeholder expectations and corporate values. The remuneration committee consists of two independents Non – Executive Directors and the chairman of the Board (Non-Executive Director). The remuneration package of the MD is structured to link rewards to corporate and individual performance. Further, our remuneration framework for the MD is designed to create and enhance value for all stakeholders and to ensure there is strong alignment between the short term and long-term interest of the Company while taking into consideration the level of remuneration paid by the other comparable companies, performance and risk factors entailed in his job.

2.6 Managing Conflicts of Interest

GRI 2-15

Below Processes in place to Identify and Manage Conflicts of Interest

Directors’ interest in transactions

All the Directors of the Company and its Subsidiaries are required to make the general disclosures annually as provided for in section 192(2) of the Companies Act. Note 28 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

Directors’ interests in shares

Directors of the Company who owns relevant interests in the shares have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act. Further, the relevant interests of each Director in the securities of the Company and any acquisition/disposals of same have been notified to the CSE in accordance with Section 7.8 of the Listing Rules.

Related Party Transactions Review Committee

The Board has appointed a Related Party Transactions Review Committee comprising of three Independent Non-Executive Directors and an Executive Director who meet quarterly to review Related Party Transactions during each quarter in line with the Continuing Listing Requirements of the CSE. The Committee met quarterly, and their report is given on page 139.

CORPORATE GOVERNANCE

3. BOARD CALENDER AND ACTIVITIES

The agenda and Board papers for the meetings are sent 7 days before the meeting, allowing members sufficient time to review the same. Urgent board papers are included on an exceptional basis. Care is taken to ensure that the Board spends sufficient time on matters critical to the company, as well as compliance matters. The Board is aware of the other commitments of its Directors and is satisfied that all Directors allocate sufficient time to enable them to discharge their responsibilities effective.

3.1 Board and Sub-Committee Meeting Attendance

Attendance of Directors for the period from 1st April 2025 to 31st March 2026

Name of Director	Directorship Status	Meeting attendance – Attended/Eligibility				
		Board	Audit and Risk Committee	Remuneration Committee	Related Party Transactions Review Committee	Nominations and Governance committee
Mr. H A S Madanayake	Chairman	5/5	N/A	2/2	N/A	N/A
Mr. G A K Nanayakkara	Managing Director	5/5	N/A	N/A	4/4	N/A
Prof. N D Gunawardena	Independent Non-Executive Director	5/5	7/7	2/2	4/4	1/1
Mr. U P Egalahewa PC	Non - Independent Non-Executive Director	5/5	6/7	2/2	4/4	1/1
Mrs. D C Abeyawardena	Independent Non-Executive Director	5/5	7/7	2/2	4/4	1/1
Mr. K P P M Amarasiri	Non - independent Non-Executive	4/5	N/A	N/A	N/A	N/A

3.2 Key Areas And Activities Considered In 2024/25

During the year the board held Six meetings. A synopsis of the key areas discussed is illustrated as follows:

Strategy and Business

Review and approval of policies, key metrics, and structural changes

Approval of significant investments

Approval of annual budget

Funding arrangements

Approval of interim dividends for 2024/25

Risk and Oversight

Review of overall risk policy

Approval of the quarterly Financial Statements and the Annual Report

Compliance review

Review of impacts from operating environment



Governance

Board Sub-Committee composition, resignations, nominations and appointments

Board evaluations and action plan to implement recommendations

Review of policy frameworks

Stakeholder Engagement

Review of shareholder communications

Review of feedback from institutional investors

Review of regulatory reviews

STATEMENT OF COMPLIANCE PERTAINING TO COMPANIES ACT NO. 7 OF 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule	Requirement	Compliance Status	Reference within the Report
168 (1) (a)	The nature of the business together with any change thereof	Yes	"About us". Page no: 3
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements. Page no: 160
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report. Page no : 157
168 (1) (d)	Accounting policies and any changes therein	Yes	Notes to the Financial Statements. Page no : 166
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors. Page no : 150
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements. Page no : 166
168 (1) (g)	Corporate donations made by the Company and the Group	Yes	Notes to the Financial Statements. Page no : 166
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Our Organizational Structure. Page no : 6
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements. Page no : 166
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Yes	Report of the Audit Committee. Page no : 134
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements / Annual Report of the Board of Directors. Page no : 150

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE UNDER SECTION 7.6 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON ANNUAL REPORT DISCLOSURE

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule	Requirement	Compliance Status	Reference within the Report
7.6 (i)	Names of the Directors of the Entity with profiles	Yes	Board of Directors Page no : 18
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	About us Page no : 3
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Yes	Investor Information Page no : 223
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Yes	Investor Information Page no : 223
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Yes	Investor Information Page no : 223
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	Yes	Managing Risk Page no : 142
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Yes	Human Capital Page no : 68
7.6 (viii)	Extents, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	Yes	Our Business Operation Page no : 23 / Notes to the Financial Statements Page no ; 184
7.6 (ix)	Number of shares representing the Entity's stated capital	Yes	Notes to the Financial Statements Page no : 196
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Investor Information Page no : 223
7.6 (xi)	Financial ratios and market price information	Yes	Investor Information Page no : 223
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Yes	Notes to the Financial Statements Page no : 184
7.6 (xiii)	Details of funds raised through a public issue, rights issue, and a private placement during the year	N/A	The Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	The Company had no share option/ purchase schemes made available during the year under review
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and	Yes	Corporate Governance
7.6 (xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower	Yes	Notes to the Financial Statements

STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNANCE

MANDATORY PROVISIONS - FULLY COMPLIANT

Rule No.	Requirement		Details
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Yes	Chairman's Statement on Page no : 10
9.2.1	Listed entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website. (a) Policy on matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk Management and Internal Controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Yes	The company Maintains such policies as per listing Rules 9.2.1 and published the same on the company website.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not Applicable	Company will be on Alert regarding such events and will be disclosed when required.
9.2.3	(I) List of policies in place as per Rule 9.2.1, with reference to website (II) Any changes to policies adopted.	Yes	All policies are in place and published on the company website.
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy	Yes	The company made available such policies to shareholders upon written request.

CORPORATE GOVERNANCE

Rule No.	Requirement		Details
9.3.1	Listed entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Yes	The company has established all the mandatory sub committees. Please refer the Page 108 of this report.
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	Yes	Please refer the Board sub committees Report in Page 134-141 of this report and sections 9.11,9.12,9.13 & 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1 above	Yes	The Chairman of the Board does not act as chairman of any committee.
9.4.1	Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained	Yes	The company secretary maintains records of the said information and the company shall provide copies of the same at the request of the CSE & SEC.
9.4.2	Communication and relations with shareholders and investors: (a) Listed entities shall have a policy on effective communication and relations with shareholders and investors (b) Listed entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders	Yes	The company already established and published a policy for communication and relations with shareholders in company website The contact person for such communication please refer page 2 of this report

Rule No.	Requirement		Details
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors	Yes	The company maintains a formal policy in this regard covering the areas specified in section 9.5.1.
9.5.2	Listed entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Yes	The company fully complied with the requirements in the policy.
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Yes	The Chairman of the Company is a non-Executive Director, and the functions of the MD and Chairman are separated. Please refer the page 107
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance.	Not Applicable	The Company has already complied with the Rule 9.61
9.6.3	The requirement for a SID	Not Applicable	the functions of the MD and Chairman are separated,
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, listed entities shall utilize the “Fit and Proper Assessment Criteria”	Yes	The company obtains declarations from directors on an annual basis confirming that each of them have continuously satisfied the fit and proper assessment criteria as per the Rule.
9.7.2	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders’ meeting or appointments are made.	Yes	The Nominations and Governance Committee ensure that all directors fit and proper through Assessment of the Directors as per the listing rules.
9.7.4	Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Yes	During the year the company obtained confirmation from Directors and satisfied the fit and proper assessment criteria set out. Please refer Board Evaluation in Page 109

CORPORATE GOVERNANCE

Rule No.	Requirement		Details
9.7.5	a) A statement that the Directors and CEO of the Entity satisfy the Fit and proper assessment criteria stipulated in the CSE b) Any non-compliance and remedial actions taken by the Entity	Yes	Please refer the Nomination and governance committee report in the page 137-138 and Chairman's statement in page 104
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors	Yes	The Board Consist of 06 Directors as of 31st March 2026. Please refer the Board composition in Page 106.
9.8.2	Minimum Number of Independent Directors	Yes	The Board consists of two Independent Non-Executive Directors. Please refer the Board composition in Page 106.
9.8.5	The Board of Directors of listed entities shall require: (a) Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" (b) Annually assess the "independence" or "non-independence" of each Independent Director based on their declaration and other available information (c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination.	Yes	Please refer the Board Evaluation in Page 109
9.9	Requirements to be complied in relation to the Alternative Director	Not Applicable	Not Applicable
9.10.1	Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such a number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Yes	The maximum number of directorships permitted to hold has been specified in The policy on matters related to the Board. During the year All directors are in compliance with the policy.

Rule No.	Requirement		Details
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; (i) a brief resume of such Director; (ii) his/her capacity of directorship; and (iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity	Yes	During the year Professor N D Gunawardena and Mr. K P P M Amarasiri were appointed to the Board with the approval of NCG Committee and new director's profiles were announced in CSE immediately after the appointment.
9.10.3	Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Yes	Company made an immediate market Announcement as per the Rule 9.10.3 immediately after changes in board composition.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID	Yes	Please refer the Below pages in This Report Directors' profiles in Page 18 – 21. Committee Meeting Reports in page 134-135 Committee meeting Attendance on Page 110

CORPORATE GOVERNANCE

Rule No.	Requirement		Details
9.11.1	Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Yes	Please refer the Report of the Nominations and Governance committee in page 137
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Yes	Nomination and governance committee have been established and maintain such formal procedures.
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	Yes	The committee has a board approved outlines the purpose, authority, and responsibilities of the committee.
9.11.4	Composition of the Committee Complied with as per section 9.11.4 the committee. 1 The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) It should not comprise of Executive Directors of the Entity. 2 An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. 3 The Chairperson and the members of the Nominations and the Governance Committee shall be identified in the Annual Report of the Entity.	Yes	The Entity Appointed the Nominations and Governance committee w.e.f 13th February 2024 complying with Rule 9.11.4 Please refer the Report of the Nominations and Governance committee in page 137
9.11.5	Functions of the Nomination and Governance Committee	Yes	Please refer the Report of the Nominations and Governance committee in page 137
9.11.6	Disclosures in Annual Report	Yes	Please refer the Report of the Nominations and Governance committee in page 137
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Yes	Please refer the Report of the Remuneration committee in page 136

Rule No.	Requirement		Details
9.12.6	Composition of the Remuneration Committee 1 The members of the Remuneration Committee shall; (a) comprise a minimum of three (03) Directors of the Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprised of Executive Directors of the Listed Entity. 2 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Yes	Please refer the Report of the Remuneration committee in page 136
9.12.7	1 The Remuneration Committee shall recommend the Report on remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. 2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	Yes	Please refer the Report of the Remuneration committee in page 136 and the Remuneration policy in page 109.
9.12.8	Disclosure in Annual Report (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non- Executive Directors	Yes	Please refer the Remuneration committee report in page 136 and Note 28.1 in the page 215.
9.13.1	Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Yes	The entity established an Audit and Risk committee and to perform the Risk functions. Please refer the Audit and Risk committee report in page 134

CORPORATE GOVERNANCE

Rule No.	Requirement		Details
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties	Yes	Please refer the Audit and Risk committee report in page 134
9.13.3	Composition 1 The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Entity. 2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. 3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. 4 If both, the Parent Company and the subsidiary are 'Listed entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary 5 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. 6 Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. 7 The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	Yes	Please refer the Audit and Risk committee report in page 134
9.13.4	Functions of the Audit Committee	Yes	Please refer the Audit and Risk committee report in page 134

Rule No.	Requirement		Details
9.13.5	Disclosures in Annual Report	Yes	Please refer the Audit and Risk committee report in page 134 for relevant disclosures.
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules	Yes	Please refer the Report of the Audit committee in page 134
9.14.2	The Related Party Transactions Review Committee (RPT) shall comprise of a minimum of three (03) Directors of the Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Entity. An Independent Director shall be appointed as the Chairperson of the Committee	Yes	Please refer the Report of the Related party transaction review committee in page 139
9.14.3	Functions of the Related Party Transaction Review Committee Review of the related Party Transactions by the committee	Yes	Please refer the Report of the Related party transaction review committee in page 139
9.14.6	Shareholder Approval for the transactions as Specified by the Rules 9.14.6.(1) – 9.14.6.(3)	Not Applicable	No transactions were made during the year which require shareholder approval
9.14.7	Disclosures	Yes	Entity has made relevant disclosures as required by the section.
9.14.8	Disclosures in Annual Report	Yes	Please refer the Report of the Related party transaction review committee in page 139

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CA SRI LANKA) IN 2023

VOLUNTARY PROVISIONS

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1	An effective Board should direct, lead and control the company		
A.1.1	Regular Board meetings, provide information to the Board on a structured and regular basis	Yes	The Board generally meets on a quarterly basis, but more frequently whenever it is necessary. Accordingly, four Board Meetings are scheduled annually to determine the Company’s strategic direction, review the Company’s operational and financial performances and to provide insight. Ad-hoc meetings are also scheduled to discuss and review specific matters which require the attention of the Board between scheduled Board meetings. Apart from taking decisions at Board meetings, the Board also takes decisions via circular resolutions which are required to be signed by all the Directors. The attendance at Board meetings held during the financial year is set out on Board and subcommittee meeting attendance
A.1.2	Role and Responsibilities of the Board	Yes	Role and responsibilities of the board is set out in Role of the chairman and MD
A.1.3	Act in accordance with laws of the Country Independent professional advice	Yes	The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations. A procedure has been established for Directors to seek independent professional advice from external parties when necessary, at the expense of the Company. There were instances during the financial year under review that Board members sought such advice which were attended to by the Company.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1.4	Access to advice and services of the Company Secretary		The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with. The Board Secretary has provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties The appointment and removal of the Board Secretary is a decision taken by the Board as a whole.
A.1.5	Independent judgement	Yes	The Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct. Non-Executive Directors are responsible for bringing independent and objective judgement and scrutinizing the recommendations/proposals made by the corporate management led by the Managing Director on issues of strategy, performance, resource utilization and business conduct.
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	The members of the Board dedicate adequate time and effort to fulfill their duties and responsibilities as Directors of the Company. In addition to attending Board meetings, they have attended Sub-Committee meetings and have also contributed to decision making through circular resolutions where necessary. The composition of Board Sub-Committees and Meeting attendance are mentioned under Board and subcommittee meeting attendance
A.1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Any Director can call for a resolution to be presented to the Board if deemed necessary.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A1.8	Board induction and Training	Yes	The Board recognizes the need for continuous training and expansion of knowledge and undertakes such professional development as they consider necessary in assisting them to carry out their duties as Directors. Directors are therefore encouraged to participate in continuous professional and self-development activities. In addition, an induction program is in place for newly appointed Directors to familiarize them with the Company's business operation and internal control system.
A.2	Chairman and CEO	Yes	There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions. The roles of the Chairman and Managing Director are segregated at Resus. The Chairman's main responsibility is to lead, direct and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director is responsible for the day-to-day operations of the Company and the Group.
A.3	Chairman's role in preserving good corporate governance	Yes	The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function. The Chairman in running the Board and facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company. The role of the Managing Director is mentioned on Role of the chairman and MD.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.4	Availability of financial acumen	Yes	The Board should ensure the availability within of those with sufficient financial acumen and knowledge to offer guidance on matters of finance. The Board is equipped with members having sufficient financial acumen and knowledge. Directors' qualification and experience are set out in Board of Directors.
A.5	Board Balance	Yes	There should be a balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision-making. All Directors are Non-Executive Directors except the Managing Director. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions.
A.5.1	The Board should include sufficient number of NEDs	Yes	The board consist with majority of NEDs where 5 are NEDs out of 6.
A.5.2	If the Board includes only 3 NEDs, they should be independent	Not Applicable	The Board consists with 05 Non-Executive Directors.
A.5.3	Independence of Directors	Yes	Independent Directors are independent of management and free of business dealings that may be perceived to materially interfere with the exercise of their unfettered and independent judgement.
A.5.4	Annual declaration of independence by Directors	Yes	Independent Directors have submitted written declarations of their independence as required by Schedule J of the Code and section 9.8.5 of the Listing Rules.
A.5.5	Annual determination of independence of NEDs	Yes	The Board considers Non-Executive Directors' independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.6	Alternate Directors	Not Applicable	Not Applicable
A.5.7 & A.5.8	Senior Independent Director (SID)	Not Applicable	A senior Independent Director has not been appointed by the Board as the Chairman and the Managing Director are separate persons. The requirement to appoint a Senior Independent Director does not arise under the Code.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.5.9	Annual meeting with NEDs	Yes	The Chairman meets with the Non-Executive Directors without the presence of the Executive Director on a need basis. However, there were no formal specific meetings held with Non-Executive Directors during the year.
A.5.10	Recording of dissent in minutes	Yes	All concerns raised by the Directors on matters of the Company and wished to be recorded have been duly recorded in the Board minutes with sufficient details.
A.6	Supply of Information	Yes	Management should provide time-bound information in a form and of quality appropriate to enable the Board to discharge its duties. Financial and non-financial information are analyzed and presented to the Board to make informed and accurate decisions.
A.7	Appointments to the Board and Re-election	Yes	A formal and transparent procedure should be followed for the appointment of new Directors to the Board. The Nomination and Governance committee assesses the suitability of the prospective nominees to the Board and approves the persons as “fit and proper” to serve as a member of the Board.
A.7.1	Establishing a Nomination Committee, Chairman and Terms of Reference	No	The Board established a Nominations and Governance Committee on 13th February 2024 to make recommendations on Board appointments. The committee has a board approved outlines the purpose, authority, and responsibilities of the committee within the organization.
A.7.2	Annual assessment of Board composition	Yes	An assessment is made of the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company when considering new appointments to the Board.
A.7.3	Disclosures on appointment of new directors	Yes	Details of new Directors are disclosed to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, along with a brief resume of the Director.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.8	Directors to submit themselves for re-election	Yes	All Directors should submit themselves for re-election at regular intervals and at least once in every three years, and all Non-Executive Directors should be appointed for a specific term and subject to re-election.
A.9	Appraisal of Board and sub-Committee Performances	Yes	The Board should periodically appraise its own performance against the pre-set targets to ensure that the Board responsibilities are satisfactorily discharged. The Board carries out an evaluation of its performance in the discharge of its key responsibilities. Each member of the Board and Board Sub-Committees carried out a self-assessment of his own effectiveness as an individual as well as effectiveness of the Board as a team.
A.10	Annual Report to disclose specified information regarding Directors	Yes	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders and disclosed under Board of Directors.
A.11	Appraisal of the CEO	Yes	The Board of Directors should at least annually assess the performance of the Chief Executive Officer. At the commencement of each financial year, the Board, in consultation with the Managing Director sets financial and non-financial goals based on the short-, medium- and long-term objectives of the Company. The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year.
B.	Directors Remuneration		
B.1	Establish process for developing policy on executive and director remuneration.		The Remuneration Committee makes recommendations to the Board regarding a remuneration policy for the Executive Director and the corporate management team that is consistent with the objectives of the Company.
B.2	Level and Make Up of Remuneration	Yes	The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient to attract and retain the quality of Directors needed run the Company. The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
B.3	Disclosures related to remuneration in Annual Report - Remuneration Policy statement - Aggregate Board remuneration paid - HRRC report	Yes	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole. Remuneration policy is disclosed in the Report of the Remuneration Committee. The total remuneration paid to the Directors is disclosed in note to the Financial Statements.
C	Relations with Shareholders		
C.1	Constructive use of the AGM and Other General Meetings	Yes	The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders 15 working days prior to the meeting as required by Section 135(1) of the Companies Act No. 7 of 2007. The Company proposes a separate resolution for each item of business at the Annual General Meeting giving shareholders the opportunity to vote on each issue separately.
C.2	Communication with shareholders	Yes	The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and the Annual Report in a timely manner. Information is provided to the shareholders prior to the Annual General Meeting to give them an opportunity to raise any issues relating to the business of Resus, either verbally or in writing prior to the Annual General Meeting. Immediate announcements are also made to the Colombo Stock Exchange on any information which is considered price sensitive. The Company Secretary could be contacted in relation to any shareholder matter.
C.3	Disclosure of major and material transactions	Yes	The Directors ensure that any transaction that would materially affect the net asset base of the Company or Group is communicated to the shareholders and required approvals are obtained in accordance with the Statutes. There were no major or material transactions during the year, which materially affected the net asset base of the Company.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.	Accountability and Audit		
D. 1	Present a balanced and understandable assessment of the Company's financial position, performance, and prospects	Yes	Resus Energy PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2025 and at the end of each quarter of 2023/24 financial year.
D1.1	Balanced Annual Report	Yes	The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange.
D.1.2	Balanced and understandable communication	Yes	The responsibility statement of the Managing Director and Head of Finance has been set out declaring that the financial records of the Company have been properly maintained and are following relevant accounting standards and that the system of risk management and internal control operates effectively.
D.1.3	CEO/CFO declaration	Yes	
D.1.4	Directors Report declarations	Yes	The "Annual Report of the Board of Directors" which covers all areas of this Section.
D.1.5	Financial reporting -statement on board responsibilities Statement on internal control	Yes	The declarations required to be made by the Board is given in the Annual Report of the Board of Directors. "Statement of Directors' Responsibilities in relation to Annual Financial Statements" in preparation of the Financial Statements is given on page 156 of this Report while the "Independent Auditors' Report" on page 157 to 159 states the Auditors' Responsibility for the Financial Statements. The "Directors' Statement on Internal Control" is given on page 133.
D.1.6	Management Discussion & Analysis	Yes	A Management Discussion and Analysis is contained in the "Managing Director's Review" on pages 12 to 17 and Capitals Reports on pages 47 to 95 and Our Business Operation on pages 23 to 39 and Risk Management Report on pages 142 to 148.
D.1.7	Net Assets < 50%	Yes	In the unlikely event of the net assets of the company falling below 50% of Shareholders Funds the Board will summon an Extraordinary General Meeting (EGM) to notify the shareholders of the position and to explain the remedial action being taken. Likelihood of such occurrence is remote.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.1.8	Related Party Transactions	Yes	The Directors have instituted an effective and comprehensive system of Internal Controls for identifying, recording and disclosure of related party transactions. Steps have been taken by the Board to avoid any conflict of interest that may arise, in transacting with related parties. Further, the Board ensures that no related party benefits from favorable treatment. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with that what is applied to transactions between the Company and its unrelated parties. Related Party Transactions Review Committee was established by the Board w.e.f 1st January 2016 in accordance with the guidelines of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka. Related Party Transactions Review policy and procedures are discussed in the Related Party Transactions Review Committee report. All related party transactions as defined in Sri Lanka Accounting Standard-24 (LKAS 24) on “Related Party Transactions” are disclosed in note to the Financial Statements.
D.2	Process of risk management and a sound system of internal control to safeguard shareholders’ investments and the Company’s assets Report of the Audit and Risk Committee Directors’ Statement of Internal Control	Yes	The Board is responsible for establishing a sound framework of risk management and internal control and monitoring its effectiveness on a continuous basis. Through such an effective framework, Resus manages business risks and ensures that the financial information on which business decisions are made and published is reliable and ensures that the Company’s assets are safeguarded against unauthorized use or disposition. The Board has appointed a three-member Audit and Risk Committee comprising of Non-Executive Directors with majority of them are Independent.

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
			The Audit and Risk Committee on quarterly basis reviews the Risk Register of the Company and the Group in the context of likelihood and their impact to the Group along with the effectiveness of the system of internal controls to address them to a satisfactory level. Strategies adopted by the Company to manage its risk are set out in the risk management report.
D.3	Audit Committee	Yes	Refer page 134 for the Directors who served on the Audit Committee during 2024/25. The said Committee met five times during the year. The Board Secretary functions as the Secretary to the Audit Committee. The Managing Director, Chief Financial Officer, and the External and Internal Auditors attend meetings on invitation.
D.4	Related Party Transactions Review Committee	Yes	Refer page 139 for the Directors who served on the Related Party Transactions Review Committee during 2025/26. The said Committee met four times during the year. The Board Secretary functions as the Secretary to the Related Party Transactions Review Committee.
D.5	Code of Business Conduct and Ethics	Yes	The Company has adopted a Code of Business Conduct and Ethics, and the Directors are committed to the Code and the principles contained therein. A set of guidelines for ethical behavior has also been compiled to assist employees to act responsibly and to make the correct decisions in their day-to-day work. The Code of Conduct explains the principles for dealing with business associates, general partners, colleagues, and the community in which the Company operates. The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code. The Board is not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any corporate management member of the Company.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.6	Corporate Governance Disclosures	Yes	This requirement is met through the presentation of this report.
E/F	Institutional and other investors	Yes	The Company is committed to maintaining good communication with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole. The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concern to the general membership. The Managing Director has regular discussions with key institutional shareholders to share highlights of the Company's performance and with the view to obtaining constructive feedback. The feedback obtained from institutional shareholders is communicated to the entire Board by the Managing Director. Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to investing or divesting directly in shares of the Company. All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
H	Principals of Sustainability Reporting	Yes	Please refer our Value Creation model on page 40 to 41 Capitals Reports on page 46 to 102 and GRI Index and Sustainability standards on page 226 to 233.

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

REQUIREMENT

The 'Code of Best Practice on Corporate Governance 2023' (The Code) issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors present a statement on internal controls.

RESPONSIBILITY

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its design and effectiveness to ensure shareholders' investments and Company's assets are safeguarded. The Board has delegated this responsibility to the Audit and Risk Committee for review and to report any findings and concerns in this regard.

INTERNAL CONTROL PROCESS

The Audit and Risk Committee of Resus Energy PLC adopts a continuous review protocol to ensure the system of internal controls both at Company level and individual subsidiary levels are operating effectively. The Committee obtains quarterly operational compliance certificates signed by each Senior Manager of the respective functional areas and the Managing Director's confirmation that the system of internal control of the Group functions without major control weaknesses and breakdowns. The Audit and Risk Committee carries out annual independent discussions with both external and internal auditors of the Company and reports to the Board of Directors of any material control aspects revealed from such discussions for immediate attention of the Board.

There is an ongoing process in every Audit and Risk Committee meeting agenda to review the risk matrix of the Company and the Group to continuously identify, evaluate, and manage risks faced by the Group. The risk register requires the management to identify all risks at Company level and individual subsidiary levels and prioritize risks based on the set rating framework. The Audit and Risk Committee reviews the risk rating and obtains explanations from the Managing Director and functional heads regarding any updates and risk responses. The risk register with the comments of the Audit Committee is tabled at Board meetings and Board discussions are carried out to ensure appropriate procedures are in place to evaluate and manage the identified risks. The Board ensures that the disclosures of risks and mitigation actions provide meaningful, information for facilitating the decision makers about the Company and do not give a misleading impression for their decisions.

STATEMENT OF CONFIRMATION

Based on the said processes, the Board of Directors of Resus Energy PLC confirms that the financial reporting system of the Company and the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with applicable Accounting Standards and regulatory requirements.

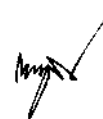
By order of the Board,



D C Abeywardena
Chairperson
Audit and Risk Committee



R M S Tillakawardana
Chief Financial Officer



G A K Nanayakkara
Managing Director



H A S Madanayake
Chairman

Colombo, Sri Lanka
31st August 2026

REPORT OF THE AUDIT AND RISK COMMITTEE

Composition of the Committee

The Audit and Risk Committee appointed by and responsible to the Board of Directors comprises of the following whose profiles are given on page 18-21.

Ms. D C Abeywardena*
Chairperson

Mr. U P Egalahewa PC**

Professor N D Gunawardena*

*Independent Non-Executive Director
**Non-Independent Non-Executive Director

Regular Attendees by Invitation

Mr. G A K Nanayakkara
Managing Director

Mr. R M S Tillakawardana
Chief Financial Officer

Secretary to the Committee
Nexia Corporate Consultants (Pvt) Limited

Meetings and Attendance

During the financial year the Committee held six meetings. The attendance of the members at the meetings are as follows.

Name	Attendance
Ms. D C Abeywardena	7/7
Mr. U P Egalahewa PC	6/7
Professor K A M K Ranasinghe	7/7
Professor N D Gunawardena	1/5
Nexia Corporate Consultants (Pvt) Limited	7/7

The proceedings of the Audit and Risk Committee are reported to the Board.

ROLE OF THE COMMITTEE

The role and the responsibilities of the Audit Committee are outlined below.

1. The Integrity of the Financial Statements of both Company and the Group which includes reasonable assertions, appropriate accounting policies and adequacy of presentation and disclosures in accordance with the Sri Lanka Accounting Standards.
2. Management of the internal audit function of the Company to ensure the company has adequate internal controls and risk management initiatives.
3. Review of External Auditors' performance and independence.
4. Ensure the company complies with legal and regulatory requirements.

COMPLIANCE WITH FINANCIAL REPORTING

The Committee discusses the Company's quarterly and annual Financial Statements prior to publication with the management and the External Auditors, including the extent of compliance with Sri Lanka Accounting Standards (LKASs and SLFRSs), and the adequacy of disclosures required by other applicable laws, rules, objectives and guidelines. The Audit Committee also regularly discusses the operations of the Company and its prospects with the management and is satisfied that all relevant matters have been considered in the preparation of the Financial Statements. The Audit Committee performs the following.

- Oversee the preparation, presentation, and adequacy of disclosures in the Financial Statements in accordance with the LKASs and SLFRSs
- Review of appropriateness and changes in Accounting Policies
- Review significant estimates and judgments made by the management.
- Oversee compliance with financial reporting related to regulations and requirements.
- Oversee the processes to ensure that internal controls and risk management measures are adequate.
- Assess the independence and performance of the external Auditors.
- Recommend to the Board the appointment, re-appointment and removal of the External Auditors and approval of their remuneration and terms of engagement.
- Report to CSE on any matters referred to the Board which were not satisfactorily resolved.
- Review of the Company's ability to continue as a Going Concern

INTERNAL AUDIT, RISKS AND CONTROLS

The focus of the Internal Audit is to provide independent assurance on the overall system of internal controls, business and associated risk management and governance based on internal controls, and compliance with laws and regulations and established policies and procedures of the Group. Accordingly, B.R. De Silva & Co appointed as the internal Auditors of

the Listed Entity. The Audit & Risk Committee monitors and reviews the scope of the Internal Audit plan, the follow-up actions taken by the management on recommendations of Internal Auditors, and the effectiveness of the Internal Audit function.

The Audit & Risk Committee also reviews the processes for the identification, evaluation and management of all significant development and operational risks faced by the Group. The Committee reviews the Risk Register on a quarterly basis in order to identify and assess the risks attached to different areas of operation and the effectiveness of internal controls. Formal confirmations and assurances are obtained from management regularly regarding the efficiency of the internal control system and risk management system, and compliance with applicable laws and regulations. The Board of Directors and Audit & Risk Committee obtain and are guided by technical advice from external consultants as required.

The key risks associated with the business are given in the Enterprise Risk Management Report on page 144-148.

INDEPENDENT EXTERNAL AUDITORS

Ernst & Young were appointed as the External Auditors of the Company and its Subsidiaries. Audit plans and the scope of work and a letter of engagement are formulated in consultation with the Finance Division of the Company.

The Committee is satisfied that the independence of the External Auditors has not been adversely influenced by any event or service that could result in a conflict of interest. Due consideration

has been given to the level of audit and non-audit fees received by the External Auditors from Resus Energy PLC and its Subsidiaries.

The Committee meets the External Auditors on an annual basis and reviews their findings.

The performance of the External Auditors has been discussed with the senior management of the Company and the Audit Committee has recommended to the Board that Ernst & Young, Chartered Accountants be re-appointed as External Auditors of Resus Energy PLC for the financial year ending 31st March 2025, subject to approval by the shareholders at the Annual General Meeting.

CONCLUSION

Based on the reports submitted by the External Auditors, the Internal Auditors and the Risk Management system of the Company, the Audit and Risk Committee is satisfied with the control environment, and of the implementation of the Group's accounting policies and operational controls and the financial position of the Group and is confident that the financial position of the Group is secure.



D.C Abeywardena

Chairman
Audit Committee

Colombo, Sri Lanka
31st August 2026

REPORT OF THE REMUNERATION COMMITTEE

Composition of the Committee

The committee was established for the purpose of recommending to the board, a remuneration policy aligned with company’s strategy, objectives and values whilst considering the interests of the shareholders. The Committee further approves the remuneration of the members of the Senior Management on the recommendations made by the Managing Director. The committee consists of the following members whose profiles are given on pages 19-21.

Ms. D C Abeywardena*-
Chairman

Mr. U P Egalahewa PC***
Professor N D Gunawardena*

Mr. H A S Madanayake**
*Independent Non-Executive Director
**Non-Executive Chairman
***Non-Independent Non-Executive Director

Regular Attendees by Invitation

Mr. G A K Nanayakkara
Managing Director

Ms Wasana Katugampala
Manager-Human Resources

Secretary to the Committee
Nexia Corporate Consultants (Pvt) Limited

Meetings and Attendance

Name	Attendance
Mr U P Egalahewa PC	2/2
Professor N D Gunawardena	2/2
Ms D C Abeywarddena	2/2
Mr H A S Madanayake	2/2
Nexia Corporate Consultants (Pvt) Limited	2/2

During the financial year the Committee held two meetings. The minutes of meetings of the Remuneration Committee are circulated to all members of the Board.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

- Determine and recommend to the Board, the Company’s remuneration philosophy and its principles, ensuring that these are in line with the business strategy, objectives, values and long-term interests of the Company.
- Make recommendations to the Board on the Company’s framework of executive remuneration and its cost, and to determine on behalf of the Board specific remuneration packages and conditions of employment (including compensation entitlements) for Executive Directors
- Make recommendations to the Board and monitor the level and structure of remuneration for Senior Management
- Make recommendations to the Board regarding the content of the Board’s Annual Report to shareholders on Directors’ Remuneration (including the Company’s policy on Executive Director’s remuneration, details of individual remuneration and other terms and conditions)

ADVISERS

The Committee is authorized by the Board to seek appropriate professional advice inside and outside the Company as and when it considers this necessary.

REMUNERATION POLICY

Executive Directors

The Remuneration for the Executive Directors including the Managing Director and Key management

Personnel are determined upon an evaluation of their performance, market comparators for similar positions and the Company’s policy for Compensation and Benefits. The Committee ensures that the Remuneration policy creates and enhances value for all stakeholders and there is a strong alignment between short-term and long-term interest of the Company.

Non-Executive Directors

All Independent Non-Executive Directors receive a fee for serving on the Board and serving on Sub-Committees. They do not receive any performance-related incentive payments.

The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel (KMPs).

The Remuneration paid to Directors during the year under review is indicated in note 28 to the Financial Statements.

CONCLUSION

The annual evaluation of the Committee was carried out by the Board during the year, and it was concluded that the Committee continues to operate effectively.



D C Abeywardena
Chairman
Remuneration Committee

Colombo, Sri Lanka
31st August 2026

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Company established the Nominations and Governance Committee (NGC) on 13th February 2024 as a Board Sub-Committee to conform with the requirements set out in Rule 9.11 of the Listing Rules of the Colombo Stock Exchange.

Composition of the Committee

The committee consists of the following members whose profiles are given on pages 19-21.

Ms. D C Abeywardena*
Chairman

Mr. U P Egalahewa PC***

Professor N D Gunawardena *

Mr. H A S Madanayake**

*Independent Non-Executive Director

**Non-Executive Chairman

*** Non-Independent Non-Executive Director

Secretary to the Committee

Nexia Corporate Consultants (Pvt) Limited

Meetings and Attendance

Name	Attendance
Mr U P Egalahewa PC	1/1
Ms. D C Abeywarddena	1/1
Professor N D Gunawardena	1/1
Mr H A S Madanayake	1/1
Nexia Corporate Consultants (Pvt) Limited	1/1

OBJECTIVE

This committee was formed to ensure that the Company complies with the requirements of the Code of Best Practice on Corporate Governance and the Listing Rules issued by the Colombo Stock Exchange with effect from 1st October 2023.

TERMS OF REFERENCE (TOR)

The committee has a board approved outlines the purpose, authority, and responsibilities of the committee within the organization.

The NGC's TOR's have been formulated in line with Section 9 of the Colombo Stock Exchange rules on Corporate Governance and on Fitness and Propriety.

FUNCTIONS OF THE COMMITTEE

- Evaluate the appointment of the Directors.
- Consider and recommend (or not recommend) the re-appointment / re-election of current Directors.
- Establish and maintain formal and transparent procedures to evaluate, select and appoint/ re-appoint Directors.
- Evaluation of the performance of the Board, Sub committees, Individual directors, and the Managing Director.
- Develop a succession plan for the Board of Directors and the Key Management Personnel of the Entity.
- Review the structure, size and composition of the Board and Board Committees regarding effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework and periodically update and review it.

ROLE OF THE COMMITTEE

The main role of the Committee is to ensure that Directors/KRPs of the Company are fit and proper people to hold office as per the criteria set out in the Listing Rules of the Colombo Stock Exchange and other relevant Statutes. The Company committed to maintain Board diversity in the range of experience, skills, age, and gender which are essential factors for effective Board performance; the profiles of the Directors capturing details are available on pages 19-21 of this report.

The Company is in the process of formulating structured Induction programs/ orientation programs to be conducted for newly appointed Directors as well as on a continuous basis on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations.

Directorships/ Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities appear under profiles of each Director appearing on pages 19-21.

None of the Directors have any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders of the Listed Entity.

REPORTING TO THE BOARD

The proceedings of the NGC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of NGC meetings are also tabled at successive Board meetings, for informational purposes.

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

DECLARATION

The committee has been assured that the directors of the entity meet the criteria for determining the Independence and Corporate Governance requirements stipulated under the listing rules of the CSE have been met.



D C Abeywardena

Chairman

Nominations and Governance Committee

Colombo, Sri Lanka

31st August 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Company established the Related Party Transactions Review Committee (RPTRC) on 31st December 2015 as a Board Sub-Committee in accordance with section 9 of the Listing Rules of the Colombo Stock Exchange.

Composition of the Committee

The committee consists of the following members whose profiles are given on page 18-21.

Professor N D Gunawardena*
Chairman

Mr U P Egalahewa PC**

Mr G A K Nanayakkara
Managing Director

Ms D C Abeywardena*

*Independent Non-Executive Director

** Non-Independent Non-Executive Director

Regular Attendees by Invitation

Mr R M S Tillakawardana
Chief Financial Officer

Secretary to the Committee

Nexia Corporate Consultants (Pvt) Limited

Meetings

Name	Attendance
Mr U P Egalahewa PC	4/4
Mr G A K Nanayakkara	4/4
Professor N D Gunawardena	4/4
Ms D C Abeywardena	4/4
Nexia Corporate Consultants (Pvt) Limited	4/4

The Committee held four meetings during the financial year. The meeting minutes were documented and communicated to the Board of Directors on a timely basis. A comprehensive report on related party transactions is submitted to the Committee. Any concerns of the Committee will be reported to the Board of Directors on a continuous basis.

The Committee meets at least quarterly, to monitor, review and report to the Board on matters pertaining to related party transactions.

OBJECTIVE

This committee was formed to ensure that the interests of Shareholders are considered by the entity when entering to the related Party transactions and the entity complies with the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka with effect from 1st January 2016 which is part of the CSE Listing Rules.

The Committee specifies a process to capture related party transactions and to report to the Board of Directors.

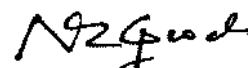
ROLE OF THE COMMITTEE

- Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.
- Review of related party transactions as required in terms of the provisions set out in Section 9 of CSE Rules.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules.
- Obtain 'competent independent advice' from independent professional experts regarding the value of the substantial assets of the related party transaction under consideration.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.
- Make appropriate disclosures on related party transactions in the Annual Report as required by CSE Listing Rules.

DECLARATION

The Committee declares that all the related party transactions given on page 215 of the annual report have been reviewed and communicated to the board and relevant stakeholders.

Further the committee confirms the compliance of the Related Party Transactions with Rule 9.3.2 (d) of the listing rules of the Colombo Stock Exchange and rules in the code of best practice on related party transactions.



Professor N D Gunawardena
Chairman
Related Party Transactions Review Committee

Colombo, Sri Lanka
31st August 2026

RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of Resus Energy PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) for the year ended 31st March 2026 are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/ LKAS),
- Companies Act No. 07 of 2007,
- Listing Rules of the Colombo Stock Exchange,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and
- Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

FINANCIAL REPORTING

The Significant Accounting Policies used in the preparation of the consolidated Financial Statements are appropriate and are consistently applied, except unless otherwise stated in the notes accompanying the Financial Statements. The Significant Accounting Policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and Company's External Auditors. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation.

The Board of Directors and the management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect a true and fair view, and the form and substance of transactions reasonably present the Company's state of affairs.

We confirm that to the best of our knowledge, the Financial Statements, significant Accounting Policies and other financial information included in this Annual Report, fairly present all material aspects regarding the financial position, results of the operations and the Cash Flows of the Group during the year under review. We also confirm that the Group has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

SYSTEM OF INTERNAL CONTROL

The Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Group for the financial period under review and confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and frauds that involves management or other employees. The Internal Auditors conduct periodic audits

to provide reasonable assurance that the established policies and procedures of the Group were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal control and accounting.

REPORT OF INDEPENDENT AUDITORS

The Financial Statements were audited by Messrs. Ernst & Young, Chartered Accountants, the Independent Auditors and their report is given on page 157.

AUDIT COMMITTEE AND RISK COMMITTEE

The Audit and Risk Committee pre-approves the audit and non-audit services provided by Messrs. Ernst & Young. The Committee meets periodically with the Internal Auditors and the Independent Auditors to review the way these Auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

The Audit and Risk Committee Report is given on page 134 to 135.

CONCLUSION

We confirm that to the best of our knowledge:

- The Group has complied with all applicable laws, regulations and guidelines and there is no material litigation against the Group other than those disclosed in note 27 of the Financial Statements.

- The system of internal control is operating effectively.
- The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's situation and have applied the Going Concern basis in preparing these Financial Statements.
- All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2026 have been paid, or where relevant provided for.



G A K Nanayakkara
Managing Director



R M S Thilakawardana
Chief Financial Officer

Colombo, Sri Lanka
31st August 2026

MANAGING RISK

At Resus, we are committed to creating value for all stakeholders by ensuring that our Group proficiently recognize and mitigate various operational, managerial, and strategic risks that could potentially hinder the organization from accomplishing its goals. Further we believe a robust risk management framework is essential for navigating the dynamic and constantly changing external landscape.

It defines the roles, responsibilities, and procedures required to foster a risk-aware culture and ensures that risks are effectively managed with adequate controls in place to minimize them, adapt to changing conditions, and preserve organizational resilience.

RISK GOVERNANCE

The company applies its risk governance framework across all its business units consistently using the three defense model lines. It defines responsibilities and functions related to risk management into three distinct lines, each with its own role and purpose:

The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems through Audit and Risk Committee, and the management provides confirmation to the Board on the effectiveness of these systems. The Board and the management of Resus continuously face the challenge of striking a balance between the downside exposure and upside potential to optimize or preserve value creation.



The risk management framework of the Group is to respond to risks proactively to ensure continued growth within a competitive and uncertain business environment. Accordingly, we operate an integrated risk management system, while maintaining business flexibility to identify, assess and mitigate significant risks associated with our business.

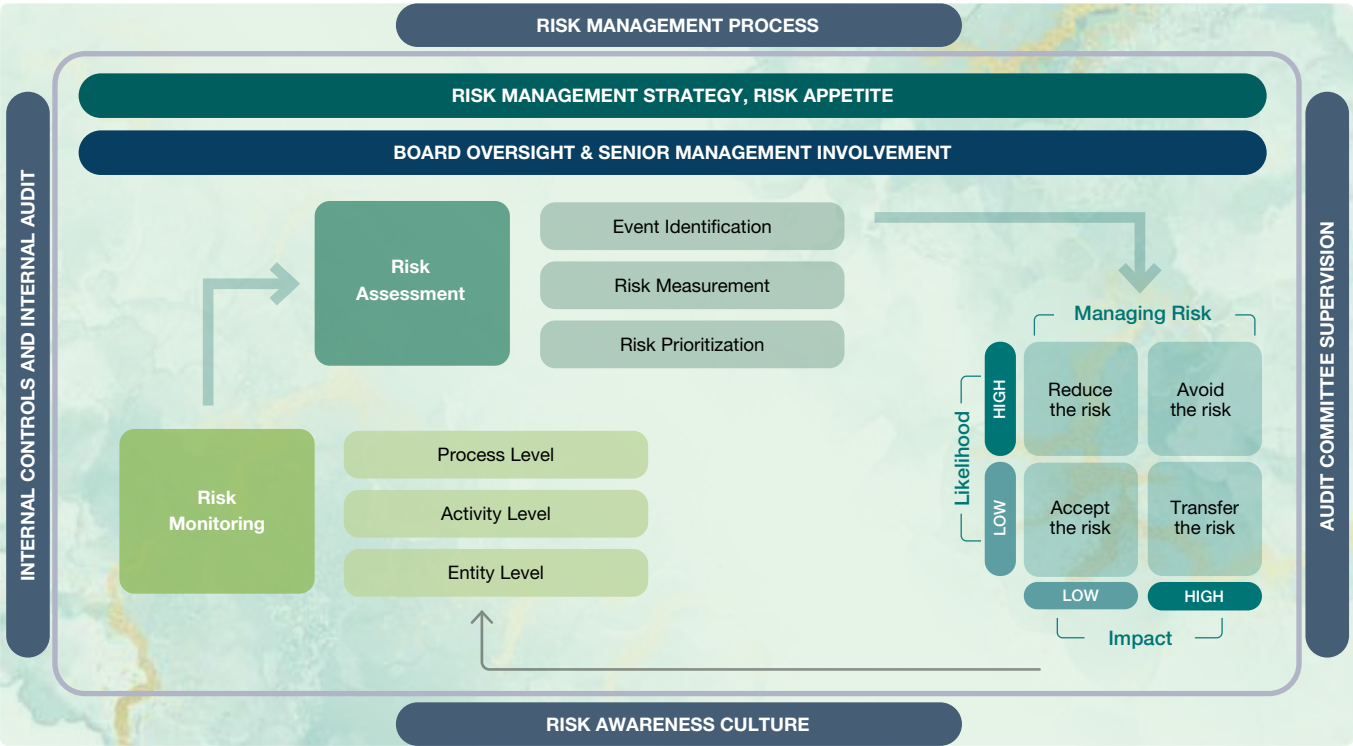
Roles and responsibility allocation for risk management is based on the Three Lines of Defense model which ensures transparency and accountability across the organization.

1st Line of Defense:	2nd Line of Defense:	3rd Line of Defense:
Business Units / Departments	Risk and Compliance Management	Independent assurance by the Internal and External Auditors.
Identification and management of risks in the business	Assist in determining the risk capacity, risk appetite, strategies and policies for risk management	Challenge and review the effectiveness of processes and controls
Primary responsibility of the day-to-day risk management	Provide oversight, support, monitoring and reporting	Provides independent assurance on overall effectiveness of risk framework

RISK MANAGEMENT PROCESS

(GRI 2-13, 2-25)

The Board has delegated the responsibility for reviewing the effectiveness of the Group’s risk management process to the Audit and Risk Committee. A well- structured risk management framework has been established under which the risks are being assessed at enterprise level, subsidiary level, and business unit process level.



- Risk Identification**

Risks are identified at Business level, with the input of key employees across all functional areas. Risk identification occurs through leadership meetings, materiality analysis, strategic performance updates and engagement with both internal and external stakeholders, among others.
- Risk Measurement and Prioritization**

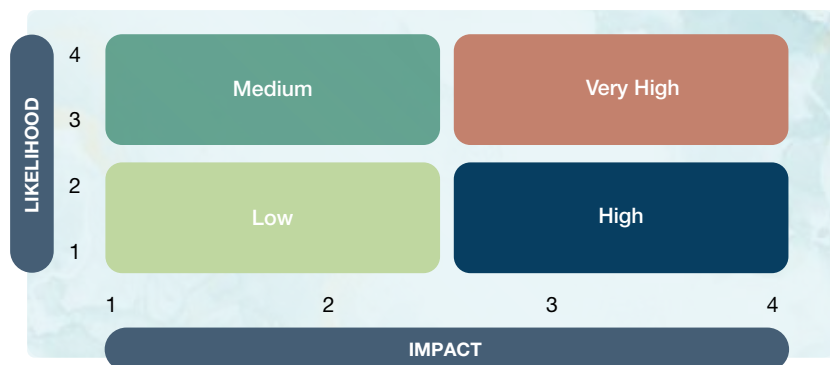
Risks are assessed based on their likelihood of occurrence and the probable impact of the event. Accordingly, the risks are ranked as very high, high, medium and low. The impact of the event is assessed by determining the loss or damage it would cause and the extent of the impact. The likelihood of occurrence is assessed on the basis of past experience and the preventive measures in place.
- Risk Response**

Risk response is defined as the action taken to address identified risks to mitigate their impact or likelihood. We have introduced various risk management templates into our project management process to facilitate project managers to adopt risk management protocols at project levels to ensure that projects are completed and delivered within anticipated parameters.
- Review and revision.**

Substantial changes in the risk landscape are continuously assessed through periodic reevaluation. Potential drivers of change include organizational strategies and objectives, macro- economic changes, climate changes, changes to government regulations, technology, emerging stakeholder requirements, and societal expectations, among others.
- Communication and Reporting**

Risk Registers are updated quarterly and submitted to the Audit and Risk Committee for review while ESG risks are tabled by Company's ESG Divisions to the board. Meanwhile, key findings from the audits conducted by the Internal Auditors are escalated to the Audit and Risk Committee for corrective action.

MANAGING RISK



MAJOR RISKS AND UNCERTAINTIES

(GRI 201-2)

The principal risks in achieving the Company's objective of enhancing stakeholder value and safeguarding its assets have been identified and are set out below. Nature and the scope of risks are subject to change and not all the factors listed below are within the control of the Company.

VH Very High H High M Medium L Low

Risk	Potential Exposure	Severity	Likelihood	Risk Rating	Mitigation Plan
1. Default Risk Risk that the customer may revise the agreements and may not serve debt	- Renegotiation of Power Purchase Agreements before the termination dates - Default of settlements by Ceylon Electricity Board (CEB) - Delays in settlements by CEB	Major	Unlikely	H	- Standardized Power Purchase Agreements (SPPAs) entered with CEB for all power plants - Carry out necessary and appropriate representative effort
2. Growth Risk Hindrances to the growth of the Group	- The growth potential may dilute, due to lack of viable new projects - Government's plan not to execute SPPAs or limit the private - developers' participation in development of non-conventional renewable energy projects	Moderate	Unlikely	H	- Strengthen business leads generation and reference network - Exert lobbying efforts both at Company and industry level - Explore other countries for viable projects that matches risk-return profile
3. Price Risk Adverse movements in tariff rates	- Downward revisions of non-conventional - renewable energy tariff adversely impacting on returns and profitability of existing projects	Major	Unlikely	H	Participate in representative and lobbying efforts through industry groups and associations

VH Very High
 H High
 M Medium
 L Low

Risk	Potential Exposure	Severity	Likelihood	Risk Rating	Mitigation Plan
4. Inflation Risk Continual increase in the general price level	- Spare-parts price increases leading to high Operation and Maintenance cost of power plants - Capital expenditure overruns of new projects under development	Moderate	Unlikely	H	- Use of appropriate financial and hedging strategies - Use of top quality electro-mechanical equipment is expected to keep the spare parts requirement at low levels.
5. Interest Rate Risk	- Upward pressure in overheads - Adverse impact on profitability due to resultant high interest cost to the Group	Moderate	Unlikely	H	- Use of appropriate financial and hedging strategies - Maintain an appropriate combination of fixed and floating rate borrowing - Negotiate for concessionary interest rates using Group strength
6. Exchange Rate Risk Adverse movements in the exchange rate	- Capital expenditure overruns of new projects under development - Changes in meeting feasibility of new projects	Minor	Likely	M	- Use of appropriate financial and hedging strategies - Maintain an appropriate combination of fixed and floating rate borrowing - Negotiate for concessionary interest rates using Group strength
7. Credit Risk	Impact on liquidity due to delays / Non-payments by CEB	Major	Likely	VH	Protection through legally enforceable agreements
8. Regulatory and compliance Risk	- Introduction of new regulations affecting the business adversely - Complexity in complying with regulatory requirements - Unexpected tax burdens - Abolishing of tax and import duty concessions and enforce infeasible environmental regulations	Major	Unlikely	H	- Monitor the compliance with regulatory requirements - Participate in representative efforts against regulations that could have a negative impact on business/ industry

MANAGING RISK

VH Very High
 H High
 M Medium
 L Low

Risk	Potential Exposure	Severity	Likelihood	Risk Rating	Mitigation Plan
9. Environment Risk	- Impact on returns from power plants due to adverse environmental conditions such as droughts, floods etc. - Adverse environmental conditions impact on the continuation of current projects under constructions	Minor	Likely	M	- Carry out preventive maintenance work to mitigate the plant down-time risk in bad weather conditions - Have a business continuity plan to reduce the plant start-up lag after a disaster
10. Project Development Risk and Crowding out threat Delays in project development work due to deadlocks leading to loss of revenue	- Social and political issues that result in abandoning viable projects - Lack of government support to encourage credible developers - Government's attempt to engage in the sector as a developer (crowding out threat)	Moderate	Unlikely	H	- Strengthen project management expertise - Build and maintain good rapport with the project stakeholders - Exert lobbying efforts both at Company and industry level
11. Employee Health and Safety Risk	The health and safety of the employees who work in the power plants and construction site	Moderate	Unlikely	H	- Establishing safety procedures for all operations that illustrate risks to employees and - Ensuring implementation and monitoring the same - Maintaining and Monitoring employee health and safety statistics.
12. Employee Relations	- Impact on business competitiveness due to difficulties in recruiting and retaining required talent - Losses from low productivity and low employee engagement because of industrial disputes.	Moderate	Unlikely	H	- Establish open, transparent, and regular communication between management and employees - Invest in Training and Development - Rewards and recognition based on employee performances.

VH Very High H High M Medium L Low

Risk	Potential Exposure	Severity	Likelihood	Risk Rating	Mitigation Plan
13. Cost Overrun Risk	budgets and estimates impacting the project return due to unexpected circumstances or inefficiencies	Moderate	Unlikely	H	- Making accurate project cost estimates using expert knowledge - Having tight budgetary controls on development cost and close monitoring of the costs by both project and finance team.
14. Theft and Fraud Risk	Losses due to the internal fraud, inefficient processes or theft of assets.	Minor	Unlikely	L	- Conduct periodic internal audit reviews and report to the Audit Committee - Maintain a business continuity plan to ensure disaster preparedness
15. Reputational Risk Loss of reputation arising from corporate behavior against the interest of society	- Potential exposure of the Group to financial losses, litigation and unacceptable corporate behaviour - Loss of confidence due to the Group not being perceived as a responsible corporate	Major	Highly Unlikely	H	- Operate within a code of business ethics that requires compliance with laws and regulations by all employees - Projects are developed according to the Environmental Management System of the Group - Environmental sustainability is within corporate DNA of Resus - Engagement in various community related activities, including community development in surrounding areas of project sites - Developing the social and physical infrastructure in rural villages where our projects are developed

MANAGING

RISK

VH

Very High

H

High

M

Medium

L

Low

Risk	Potential Exposure	Severity	Likelihood	Risk Rating	Mitigation Plan
16. IT Risk	Potential threat of loss of data, interruptions to systems and outdated systems	Moderate	Unlikely	H	- Having an internal IT consultant for facilitating the smooth functioning of IT systems - Regular maintenance and upgrades to the systems - Establishment of IT policy and guidelines
17. Business Continuity Risk	Losses of Business Interruption due to Natural disasters, Major operational failures.	Major	Unlikely	H	- Timely maintenance of machinery, transmission lines, and equipment as per schedule and as needed - Obtained Comprehensive insurance policy covering all the Assets in plants. - Regular monitoring of grid connected transmission line.
18. Pandemic Risk	Risk of adverse operational and economic impact stemming from pandemic outbreaks	Major	Unlikely	H	- Strictly adhered the guidelines mandated by authorities. - Flexible working hours with the option of working from home arrangements considering the social distancing advisories issued. - Contingency Planning

FINANCIAL CALENDAR

Interim Financial Statement

Three Months ended 30th June 2025	5th Aug 2025
Six Months ended 30th Sep 2025	14th Nov 2025
Nine Months ended 31st December 2025	11th Feb 2026
Twelve Months ended 31st March 2026	21st May 2026

Annual Report for the year ended 31st March 2025

22nd Annual General Meeting	25th August 2025
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Annual Report for the year ended 31st March 2026

23rd Annual General Meeting	24th Sep 2026
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ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Resus Energy PLC takes pleasure in presenting the report together with the Audited Consolidated Financial Statements for the year ended 31st March 2026.

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007 and the Colombo Stock Exchange's Continuing Listing Requirements and are guided by Recommended Best Practice.

Principal Activities and Review of Business Segment Performance

Investing in power generation projects remained the principal activity of Resus Energy PLC and its subsidiaries during the year under review.

The Group portfolio now consists of hydro power and solar power projects and the strategic intent of The Group's business focuses on non-conventional renewable energy projects.

Construction of Solar Power Project in Neeththa area in Ampara District with capacity of 5.0 MW was completed by April 2025 and during the year 03MW connected to the national grid in March 2026.

The Group's revenue chiefly represents economic benefits derived from selling electricity by its hydro and Solar power plants. The details of operational power projects under their respective companies for the year ended 31st March 2025 are depicted in the table below:

Name of the power Project	Entity	Generation Capacity	Location	Electricity Units Dispatched (GWh)	
				2025/26	2024/25
Giddawa Mini Hydro Power Plant	Resus Energy PLC	2.0MW	Giddawa, Digana, Kandy District	6.43	8.98
Upper Agra Oya Mini Hydro Power Plant	Resus Energy PLC	2.6MW	Lindula, Talawakelle, Nuwara Eliya District	7.97	7.51
Upper Magalganga Mini Hydro Power Plant	Resus Energy PLC	2.4MW	Maliboda, Deraniyagala, Kegalle District	7.31	6.94
Gomale Oya Hydro Power Plant	Gomale Oya Hydro Power (Pvt) Ltd	1.4MW	Magala, Maliboda, Kegalle District	2.75	1.76
Moragaha Oya Hydro Power Plant	Moragaha Oya (Pvt) Ltd	1.5MW	Panvila, Theldeniya, Kandy District	4.55	5.59
Ranwala Oya Hydro Power Plant	J B Power (Pvt) Ltd	1.2MW	Maliboda, Deraniyagala, Kegalle District	3.30	3.48
Upper Huluganga Hydro Power Plant	Upper Huluganga (Pvt) Ltd	1.9MW	Panvila, Kandy District	5.81	5.47
Karapalagama Hydro Power Plant	Sierra Power (Pvt) Ltd	2.4 MW	Welapane. Nildandahinna Nuwara Eliya District	5.78	6.96
Ampara SBSPII (90) Solar PV Power Project	Resus Energy PLC	2.0MW	Mahakalugolla, Siyambalanduwa, Monaragala District	2.68	3.20
Mahiyanganaya SBSII (90) MW Solar Power Plant	Resus Solar (Pvt) Ltd	6.0MW	Welampala, Rideemaliyadda, Badulla District	9.23	10.56
Ampara1 SBSII (60) MW Solar PV Power Plant	Resus Solar (Pvt) Ltd	1.0MW	Mahakalugolla, Siyambalanduwa, Monaragala District	1.58	1.83
Ampara SBSII (90) MW Solar PV Power Plant	Resus Solar (Pvt) Ltd	5.0MW	Neeththa, Damana, Ampara District	7.44	0.04
Total		29.4MW		64.86	62.32

Segmental information on the Group's operational performance and assets allocation among different classes of business is given in note 30 to the Financial Statements. Business Segmental performance has been extensively presented and discussed in the Managing Director's Review on page 12 to 17 and in Financial Capital Report on page 47 to 55 of this Report.

The Directors to the best of their knowledge and belief confirm that neither the Company nor its subsidiaries have been engaged in any activity that contravenes laws and regulations.

Financial Statements

The Financial Statements of the Company and the Group are given on page 160 to 221.

Results and Appropriations

For the year ended 31st March

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Revenue	1,010,309,979	1,241,317,605	317,207,211	410,795,367
Gross Profit	671,859,576	858,651,276	229,032,596	313,376,491
Other operating income/(expenses)	49,374,722	21,332,386	89,961,556	91,328,274
Operating profit/(loss) before interest and tax	586,574,127	759,934,766	207,234,124	305,715,112
Net Finance cost	(398,881,944)	(390,365,473)	(251,363,623)	(170,354,177)
Profit/(Loss) before tax	187,692,183	369,569,293	(44,129,499)	135,360,935
Provision for tax including deferred tax	(30,714,520)	(154,598,738)	22,896,832	(27,389,489)
Profit/(Loss) for the Year	156,977,663	214,970,555	(21,232,667)	107,971,446
Deficit/(Profit) attributable to non-controlling interests	-	-	-	-
Profit/(Loss) available to Group's shareholders	156,977,663	214,970,555	(21,232,667)	107,971,446
Other comprehensive income/(expense)	3,847,527	(2,082,403)	4,194,945	(1,999,751)
Balance brought forward from the previous year	1,497,909,229	1,371,205,904	258,632,683	238,845,815
Amount available for appropriation	1,658,734,419	1,584,094,056	241,594,961	344,817,510
Interim dividends paid	(64,661,713)	(86,184,827)	(64,661,713)	(86,184,827)
Balance to be carried forward to the next year	1,594,072,706	1,497,909,229	176,933,248	258,632,683

Auditors' Report

The Auditors' Report on the Financial Statements is given on page 157.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on page 168 to 183. There were no changes to the Accounting Policies adopted during the year.

Interest Register

Interest Register and Directors' interests in Contracts Directors' interest in contracts or proposed contracts are disclosed on

page 155 and have been disclosed at meetings of the Directors and recorded in the Interest Register as per Section 192 of the Companies Act No. 7 of 2007. The Directors did not have any material interest in any contract of significance to the Group's business, other than those disclosed on page 155, "Directors' Interest in Contracts" of this Report.

During the year, entries made in the Interest Register consisted of Directors' Interest in Contracts, remuneration paid to the Directors and renewal of Directors' and Officers' liability insurance. The Interest Register is available at the registered head office of the Company, in keeping with the requirements of Section 119(1)(d) of the Companies Act No. 7 of 2007.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Directors of the Company

Names of the Directors and their profiles including the names of the Directors who held office and resigned during the year have been disclosed on page 18 to 21 of the Annual Report.

Review of Performance of the Board and Board Sub-Committees

The review of the performance of Board and Board Sub- Committees were carried out during the year by way of a discussion during the Board Meetings.

Board and Board Sub-Committee Meetings

The number of Board meetings, Audit Committee meetings, Remuneration Committee meetings and Related Party Transactions Review Committee meetings held during the year and the attendance of Directors at these meetings are given on page 110 of Corporate Governance Report.

Directors' Remuneration

The Directors' remuneration paid by the Company and the Group is disclosed in note 21 to the Financial Statements.

Directors' Interest in Shares

The Directors' shareholdings are disclosed on page 223 of this Report.

Corporate Governance

The Board is committed to maintaining high standards of Corporate Governance, the process by which the Company is directed and managed. The Corporate Governance Report is given on page 103 to 132 of the Annual Report.

Risks and Internal Controls

The Enterprise Risk Management Report is given on page 142 to 148 of the Annual Report, which includes information pertaining to material foreseeable risks of the Group and the mitigation actions.

The Directors accept the ultimate responsibility for the system of internal control of the Company and the Group. The systems are geared to provide reasonable assurance that the assets of the Group are safeguarded and that all transactions are conducted as relevant, properly authorised and duly recorded. Further details of the internal control system in operation are also contained in the Directors' Statement on Internal Controls on page 133, Statement of Directors' Responsibilities in relation to Annual Financial Statements on page 156, Corporate Governance on page 103 to 132, and the Audit and Risk Committee Report on pages 134 to 135 of the Annual Report.

Taxation

The tax liability of the Company and its subsidiaries has been computed according to the provisions of the Inland Revenue Act No. 17 of 2017 and amendments thereto. The applicable provisions under the Board of Investments (BOI) law have been taken into consideration for taxation of subsidiary companies.

The method of computation of income taxes of the Company and the Group has been depicted in note 22 to the Financial Statements.

Corporate Donations

The Group and the Company made Rs. 0.80Mn (2025 – 0.85Mn) and Rs. 0.4Mn (2025 – Rs. 0.5Mn) donations during the year respectively.

Property, Plant and Equipment

The book carrying value of property, plant and equipment as at the reporting date amounted to Rs. 1,173.25Mn (2025-Rs.1,190.50Mn) and Rs. 5,631.72Mn (2025 - Rs.5,232.7Mn) for the Company and Group respectively. Capital expenditure during the year for the Company and Group amounted to Rs .19.39Mn (2025 - Rs.3.68Mn) and Rs. 544.33Mn (2025 - Rs. 626.93Mn) respectively.

Details of property, plant and equipment are given in note 04 to the Financial Statements.

The Directors are of the view that the carrying values of the Group's fixed assets do not substantially differ from their market values and no indications of impairment have been noted as of the date of this Report.

Stated Capital

The Stated Capital of the Company as of 31st March 2025 was Rs. 967,483,260 (2025 -Rs. 967,483,260) consisting of 430,924,135 (2025-Rs. 86,184,827) ordinary shares.

Shareholdings

There were 3,977 registered Ordinary Voting Shareholders as of 31st March 2026 (3,010 – as of 31st March 2025).

The distribution of shareholdings is shown on pages 223 to 225 of the Annual Report. This gives information on the top twenty shareholders' names, number of shares held, and the percentage held by each shareholder with the Public holding percentage and the distribution schedule of the number of holders in each class of equity securities and the percentage of their total holding.

Each of Director's including the Managing Director's direct and indirect holdings in shares of the Company at the beginning and end of each financial year are given on pages 224 to 225 of the Annual Report.

No Employee Share Ownership Plans and Profit-Sharing Plans prevailed during the year for the Company and the Group.

Share Information

Information relating to earnings, dividends, net assets and market value per share is available in "Share Information" on page 223 to 225 and "Financial Highlights" on page 8 of the Annual Report along with information on share trading.

Substantial Shareholdings

The twenty major shareholders as at 31st March 2026 are given on page 223 of the Annual Report.

No recommendation was made for a final dividend for shareholders' approval at the AGM.

Environment Protection

The Directors confirm that the Company and its subsidiaries have not engaged in any activities, which have caused detriment to the environment. The activities are carried out in accordance with the Group Environmental Management System to preserve the environment.

Statutory Payments

The Directors confirm, to the best of their knowledge and belief, that all statutory obligations due to the Government and to the Employees have been either duly paid or adequately provided for in the Financial Statements. Details are given on page 47 of Financial Capital report.

Related Party Transactions

The Directors confirm that Section 9 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issued by Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the Company and the Group with effect from 1st January 2016.

Events after the Reporting Period

Circumstances giving rise to disclosure in the Financial Statements since the Reporting Date have been disclosed in note 26 to the Financial Statements. No circumstances have arisen since the Reporting Date that would require adjustments in the Financial Statements.

Going Concern

The Board of Directors is satisfied that the Company and its subsidiaries will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Directors consider that it is appropriate to prepare Financial Statements on Going Concern basis.

Auditors

The Financial Statements of the Company and the Group for the year have been audited by Messrs Ernst & Young, Chartered Accountants, who are recommended for re-appointment.

The Audit Fees payable and fees paid to them by the Company for other services rendered for the year under review are as follows.

Audit Fees and Expenses -

Rs. 2,115,468/- (2025 – Rs. 1,650,000/-)

Fees for non-audit services -

Rs. 203,571 (2025- 694,810)

The Directors have recommended a resolution to be passed at the forthcoming Annual General Meeting for re-appointment of Messrs Ernst & Young as Auditors and authorizing the Directors to fix their remuneration.

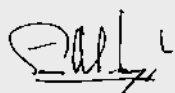
The Auditors of the Group have confirmed that they do not have any relationship (other than that of Auditor) with, or interests in, the Company or any of its Subsidiaries other than those disclosed above.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Annual General Meeting

The Twenty third Annual General Meeting of the Company will be held on Thursday, the 24th day of September 2026 on 4.00p.m at the Ground Floor auditorium of the Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02. The Notice of the Annual General Meeting appears on page 236 of the Annual Report.

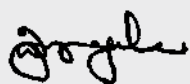
Board of Directors,



H A S Madanayake
Chairman



G A K Nanayakkara
Managing Director



Nexia Corporate Consultants (Pvt)
Limited
Secretaries

Colombo, Sri Lanka
31th Aug 2026

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

Related party disclosures as required by the Sri Lanka Accounting Standard-LKAS 24 'Related Party Disclosures' are detailed in note 28 to the Financial Statements. In addition, the Company carries out transactions in the ordinary course of business in an arm's length basis with the entities where the Chairman or a Director of the Company is the Chairman or a Director of such entity as detailed below.

Company	Nature of Transaction	Amount Rs.	
		2025/26	2024/25
Gomale Oya Hydro Power (Pvt) Ltd	Funds Received	5,200,000	29,890,000
	Funds Transferred	-	(10,222,999)
	Loan	(54,808,183)	-
	Reimbursement of Expenses	42,584,190	(14,606,922)
	Dividend Received	-	-
Moragaha Oya (Pvt) Ltd	Funds Received	47,055,000	112,554,202
	Funds Transferred	(3,422,000)	(21,133,202)
	Loan	(97,387,348)	-
	Reimbursement of Expenses	(67,564,741)	(36,673,541)
	Dividend Received	(64,661,713)	(43,732,560)
Upper Huluganga (Pvt) Ltd	Funds Received	16,027,695	174,789,674
	Funds Transferred	-	(59,933,576)
	Loan	(79,271,668)	-
	Reimbursement of Expenses	100,573,540	(34,573,163)
	Dividend Received	-	(42,467,829)
JB Power (Pvt) Ltd	Funds Received	34,524,565	26,776,888
	Funds Transferred	-	(11,787,078)
	Loan	(86,687,293)	-
	Reimbursement of Expenses	40,899,817	(11,653,042)
	Dividend Received	-	-
Resus Solar (Pvt) Limited	Funds Received	23,160,000	111,581,794
	Funds Transferred	-	(137,591,705)
	Reimbursement of Expenses	(17,210,624)	(405,596,587)
	Share Investment	191,843,465	446,500,000
Sierra Power (Pvt) Limited	Funds Received	58,771,000	97,283,519
	Loan	(170,297,310)	-
	Funds Transferred	-	(57,513,440)
	Reimbursement of Expenses	130,592,700	(13,818,569)
Resus Engineering (Pvt) Ltd	Funds Received	-	1,500,000
	Share Investment	8,184,469	-
	Funds Transferred	-	-
	Reimbursement of Expenses	(630,868)	(1,352,216)
Resus Eastern Solar (Pvt) Limited	Reimbursement of Expenses	-	(128,116)
	Funds Transferred	-	(1,008,539)
Rawanakanda Hydro Power (Pvt) Ltd	Reimbursement of Expenses	-	(71,326)
	Reimbursement of Expenses	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO ANNUAL FINANCIAL STATEMENTS

The following statement which should be read in conjunction with the Auditors' Statement of their responsibilities, as set out in their report, is made with a view to distinguish the respective responsibilities of the Directors and the Auditors, in relation to the Financial Statements.

The Companies Act No. 7 of 2007 requires that the Directors prepare the Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit or loss of the Company and the Group for the financial year and present it to the shareholders. These Financial Statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company and the Group for the financial year and a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year which complies with the requirements of the Companies Act No. 7 of 2007.

The Directors consider that in preparing the Financial Statements disclosed on page 160 to 221, the Company has used appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgment and estimates, and that all Accounting Standards (LKASs/SLFRSs) which they consider to be applicable have been followed. The Directors also ensure that the requirements of the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and Listing Rules of the Colombo Stock Exchange have been followed and complied with.

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Company, and which enable them to ensure that the Financial Statements comply with the provisions of the Companies Act No. 7 of 2007.

The Directors are required to provide the Auditors with every opportunity to take whatever steps necessary to enable them to form their audit opinion. The responsibility of the auditors in relation to the Financial Statements appears in the Report of the Independent Auditors on page 157. Messrs Ernst & Young, Chartered Accountants, and the Independent Auditors of the Company have examined the Financial Statements and the related records and information. Their opinion on Financial Statements is given on page 157.

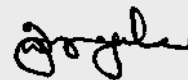
The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems, with a view to preventing and detecting frauds and other irregularities.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries and all other known statutory dues as were due

and payable by the Company and its subsidiaries as at the reporting date have been paid, or where relevant provided for in the Financial Statements.

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in business for the foreseeable future and have continued to adopt the Going Concern basis in preparing Financial Statements for the Company and the Group.

By order of the Board,



Nexia Corporate Consultants (Pvt) Limited
Secretaries

Colombo, Sri Lanka
31st Aug 2026

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF RESUS ENERGY PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Resus Energy PLC ("the Company") and the Consolidated Financial Statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying Financial Statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: G G S Manatunge FCA, Y A De Silva FCA, W K B S P Fernando FCA FCMA (UK) FCCA, B C Wijesuriya FCA FCMA (UK), R N de Saram ACA FCMA (UK), N M Sulaiman FCA FCMA (UK), L K H L Fonseka FCA, P V K N Sajeward FCA, A A J R Perera FCA ACMA (UK), N Y R L Fernando ACA, D N Gemage FCA ACMA (UK), C A Yalagala ACA ACMA (UK), P S Paranavitane ACA ACMA (UK) LLB (Colombo), B Vasanthan ACA ACMA (UK), W D P L Perera ACA, M J M Marsoor ACA, S B G Jayawardena ACA ACMA (UK) ACCA

Principals: T P M Ruberu FCMA (UK) FCCA MBA, G B Gouffian ACMA (UK), D L B Karunathilaka ACMA (UK), W S J De Silva BSc (Hons) - MSc MSc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR’S REPORT



Key audit matter	How our audit addressed the Matter
Assessment of Impairment of Goodwill The Group’s Statement of Financial Position includes an amount of Rs.181 Mn relating to Goodwill acquired on the business combinations as further described in Notes 3.1.4 and 6 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU). Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill has been allocated. A deficit between the recoverable value and the carrying value of the CGUs including Goodwill would result in an impairment. Impairment testing of Goodwill was a key audit matter due to : • The degree of management assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.	Our audit procedures included the following: • We gained an understanding of how management has forecast its discounted future cash flows. • Based on the best available information up to the date of our report, we assessed the reasonableness of significant management assumptions including tariff rates, discount rates and plant load factor. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations. We also assessed the adequacy of disclosure in Note 3.1.4 and 6 to the financial statements.
Interest Bearing Loans and Borrowings As of the reporting date, the Group reported total interest-bearing loans and borrowings of Rs. 4,265 Mn, of which Rs. 1,643 Mn is reported as current liabilities and the balance Rs. 2,622 Mn as non-current liabilities. Interest bearing borrowings was a key audit matter due to; • The materiality of the reported interest-bearing loans and borrowings balance which represents 83% of the Group’s total liabilities as of the reporting date and, • The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements.	Our audit procedures included the following: • Obtained an understanding of the terms and conditions attached to loans and borrowings, by perusing the related agreements. • Obtained confirmations from financial institutions on outstanding loans and borrowings as at reporting date. We also assessed the adequacy and appropriateness of the disclosures made in Note 12 in the financial statements relating to interest bearing loans and borrowings.

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards,

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 Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs 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 SLAuSs, 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 internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.

Colombo
31st August 2026

STATEMENT OF FINANCIAL POSITION

As at 31st March		Group		Company	
		2026	2025	2026	2025
	Note	Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	4	5,631,727,509	5,232,787,652	1,173,258,037	1,190,503,382
Right of use Assets	5	20,375,623	21,819,377	324,120	381,317
Intangible assets	6	190,105,895	181,139,889	125,407,510	125,407,510
Investments in subsidiaries	7	-	-	1,878,171,059	1,678,143,125
Deferred tax assets	14	589,850,096	595,615,042	-	-
		6,432,059,123	6,031,361,960	3,177,160,726	2,994,435,334
Current assets					
Inventories	8	52,240,737	73,584,886	14,565,064	11,290,403
Trade and other receivables	9	580,185,643	455,252,090	683,753,264	234,086,576
Income tax recoverable		143,179	75,295	143,146	75,262
Cash and cash equivalents	10	617,776,951	63,632,174	582,015,242	51,941,244
		1,250,346,510	592,544,445	1,280,476,716	297,393,485
Total Assets		7,682,405,633	6,623,906,405	4,457,637,442	3,291,828,819
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	967,483,260	967,483,260	967,483,260	967,483,260
Other components of equity		6,949,461	6,949,461	5,194,210	5,194,210
Retained earnings		1,594,072,707	1,497,909,229	176,933,248	258,632,683
Equity attributable to equity holders of the parent		2,568,505,428	2,472,341,950	1,149,610,718	1,231,310,153
Non-controlling interest		-	-	-	-
Total Equity		2,568,505,428	2,472,341,950	1,149,610,718	1,231,310,153
Non-current liabilities					
Interest bearing loans and borrowings	12	2,622,311,694	2,371,878,942	1,508,885,426	576,278,380
Lease liability	5.2	22,125,808	22,007,495	434,514	383,211
Retirement benefit obligations	13	47,274,850	45,218,038	43,380,087	42,892,649
Deferred tax liabilities	14	255,570,415	260,904,338	74,001,600	95,863,906
		2,947,282,767	2,700,008,813	1,626,701,628	715,418,146
Current liabilities					
Trade and other payables	15	109,897,093	190,271,837	48,544,235	515,498,378
Lease liability	5.2	3,690,270	3,690,270	111,270	111,270
Income tax liabilities		22,608,571	32,073,737	-	5,481,573
Interest bearing loans and borrowings	12	1,642,690,051	1,013,871,728	1,355,981,367	674,204,613
Bank overdrafts	10	387,731,453	211,648,070	276,688,224	149,804,686
		2,166,617,438	1,451,555,642	1,681,325,096	1,345,100,520
Total Equity and Liabilities		7,682,405,633	6,623,906,405	4,457,637,442	3,291,828,819

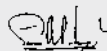
Figures in brackets indicate deductions.

I certify that the financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Manohara S Tillakawardena
Chief Financial Officer
Colombo, Sri Lanka
31st August 2026

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:



H A S Madanayake
Chairman



G A K Nanayakkara
Managing Director

STATEMENT OF PROFIT OR LOSS

For the year ended 31st March	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Revenue	16	1,008,092,822	1,069,923,993	316,244,435	345,762,795
Billing under the standardized power purchase agreement	16.1	2,217,157	171,393,612	962,776	65,032,572
Cost of Sales		(338,450,403)	(382,666,329)	(88,174,615)	(97,418,876)
Gross profit		671,859,576	858,651,276	229,032,596	313,376,491
Other operating income/(expense)	17	49,374,722	21,332,386	89,961,556	91,328,274
Administrative expenses		(134,660,171)	(120,048,896)	(111,760,028)	(98,989,653)
Results from operating activities		586,574,127	759,934,766	207,234,124	305,715,112
Finance income	20.2	9,573,814	4,674,410	8,545,027	4,653,761
Finance cost	20.1	(408,455,758)	(395,039,883)	(259,908,650)	(175,007,938)
Profit/(Loss) before tax	21	187,692,183	369,569,293	(44,129,499)	135,360,935
Tax (Expense) / Reversal	22	(30,714,520)	(154,598,738)	22,896,832	(27,389,489)
Profit/(Loss) for the year		156,977,663	214,970,555	(21,232,667)	107,971,446
Attributable to:					
Equity holders of the parent		156,977,663	214,970,555	(21,232,667)	107,971,446
Non-controlling interest		-	-	-	-
		156,977,663	214,970,555	(21,232,667)	107,971,446
Earnings/(Loss) per share - basic/diluted	23	0.36	0.50	(0.05)	0.25

Figures in brackets indicate deductions.

The accounting policies and notes as out in pages 166 to 221 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit/(Loss) for the year		156,977,663	214,970,555	(21,232,667)	107,971,446
<i>Other comprehensive income/(loss):</i>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Re-measurement gain/(loss) on defined benefit plans	13	5,496,467	(2,974,862)	5,992,779	(2,856,787)
Deferred tax effect on actuarial gain/(loss) on defined benefit plan	14.2	(1,648,940)	892,459	(1,797,834)	857,036
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</i>		-	-	-	-
Other comprehensive income for the year, net of tax		3,847,527	(2,082,403)	4,194,945	(1,999,751)
Total comprehensive income/(loss) for the year, net of tax		160,825,190	212,888,152	(17,037,722)	105,971,695
<i>Attributable to:</i>					
Equity holders of the parent		160,825,190	212,888,152	(17,037,722)	105,971,695
Non-controlling interest		-	-	-	-
		160,825,190	212,888,152	(17,037,722)	105,971,695

Figures in brackets indicate deductions.

The accounting policies and notes as out in pages 166 to 221 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March

Group	Notes	Attributable to Equity holders of the parent			Total	Non-controlling interest	Total equity
		Stated capital	Other components of equity - Revaluation reserve	Retained earnings			
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024		967,483,260	6,949,461	1,371,205,904	2,345,638,625	-	2,345,638,625
Profit for the year		-	-	214,970,555	214,970,555	-	214,970,555
Other comprehensive income		-	-	(2,082,403)	(2,082,403)	-	(2,082,403)
Total comprehensive income for the year		-	-	212,888,152	212,888,152	-	212,888,152
Transactions with equity holders							
Cash dividends paid - Interim 2024/25	24	-	-	(86,184,827)	(86,184,827)	-	(86,184,827)
Total distribution to equity holders		-	-	(86,184,827)	(86,184,827)	-	(86,184,827)
Balance as at 31st March 2025		967,483,260	6,949,461	1,497,909,229	2,472,341,950	-	2,472,341,950
Profit for the year		-	-	156,977,663	156,977,663	-	156,977,663
Other comprehensive income / (loss)		-	-	3,847,527	3,847,527	-	3,847,527
Total comprehensive income for the year		-	-	160,825,190	160,825,190	-	160,825,190
Transactions with equity holders							
Cash dividends paid - Interim 2025/26	24	-	-	(64,661,713)	(64,661,713)	-	(64,661,713)
Total distribution to equity holders		-	-	(64,661,713)	(64,661,713)	-	(64,661,713)
Balance as at 31st March 2026		967,483,260	6,949,461	1,594,072,707	2,568,505,428	-	2,568,505,428

Company	Notes	Stated capital	Other components of equity - Revaluation reserve	Retained earnings	Total equity
		Rs.	Rs.	Rs.	Rs.
Balance 1st April 2024		967,483,260	5,194,210	238,845,815	1,211,523,285
Profit for the year		-	-	107,971,446	107,971,446
Other comprehensive income		-	-	(1,999,751)	(1,999,751)
Total comprehensive income/(loss) for the year		-	-	105,971,695	105,971,695
Transactions with equity holders					
Dividends paid - Interim 2024/25	24	-	-	(86,184,827)	(86,184,827)
Total distribution to equity holders		-	-	(86,184,827)	(86,184,827)
Balance as at 31st March 2025		967,483,260	5,194,210	258,632,683	1,231,310,153
Transactions with equity holders					
Loss for the year		-	-	(21,232,667)	(21,232,667)
Other comprehensive income		-	-	4,194,945	4,194,945
Total comprehensive income/(loss) for the year		-	-	(17,037,722)	(17,037,722)
Transactions with equity holders					
Dividends paid - Interim 2025/26	24	-	-	(64,661,713)	(64,661,713)
Total distribution to equity holders		-	-	(64,661,713)	(64,661,713)
Balance as at 31st March 2026		967,483,260	5,194,210	176,933,248	1,149,610,718

STATEMENT OF CASH FLOWS

For the year ended 31st March		Group		Company	
		2026	2025	2026	2025
	Note	Rs.	Rs.	Rs.	Rs.
Cash flows from/(used in) operating activities					
Profit/(Loss) before tax		187,692,183	369,569,293	(44,129,499)	135,360,935
Adjustments for;					
Depreciation	4	145,399,908	123,962,626	36,639,335	37,826,667
Depreciation of Right-of-Use Assets	5.1	1,443,753	6,159,624	57,197	5,071,901
Provision for defined benefit plan-Gratuity	13	8,184,783	7,845,347	7,111,724	7,228,032
Finance cost	20.1	405,582,011	392,085,231	259,857,347	174,950,522
Finance charges on lease liability	5.2	2,873,747	2,954,652	51,303	57,416
(Profit)/Loss on sale of fixed assets	17	-	18,434	-	18,434
Finance income	20.2	(9,573,814)	(4,674,410)	(8,545,027)	(4,653,761)
Operating profit/(loss) before working capital changes		741,602,571	897,920,797	251,042,379	355,860,146
Decrease / (Increase) in inventories					
		21,344,149	26,372,377	(3,274,661)	3,291,321
Decrease / (Increase) in trade and other receivables		(124,933,553)	63,965,332	(449,666,688)	(374,747,890)
(Decrease) / Increase in trade and other payables		(80,426,700)	81,297,587	(149,217,114)	70,134,251
Cash generated/(used in) from operations		557,586,467	1,069,556,093	(351,116,082)	54,537,830
Finance cost paid					
		(328,542,023)	(402,012,579)	(212,395,806)	(173,802,567)
Gratuity paid	13	(631,507)	(3,385,820)	(631,507)	(3,385,820)
Income tax paid		(30,002,634)	(42,134,834)	(5,481,573)	(23,723,720)
Net cash flows from/(used in) operating activities		198,410,303	622,022,860	(569,624,968)	(146,374,279)
Cash flows from/(used in) investing activities					
Acquisition of property, plant and equipment	4	(520,595,648)	(622,423,834)	(19,393,990)	(3,679,042)
Acquisition of intangible assest		(8,966,006)			
Investments in Subsidiaries		-	-	-	-
Finance income received	20.2	9,573,814	4,674,410	8,545,027	4,653,761
Net cash flows from/(used in) investing activities		(519,987,841)	(617,749,424)	(10,848,963)	974,719

For the year ended 31st March		Group		Company	
		2026	2025	2026	2025
	Note	Rs.	Rs.	Rs.	Rs.
Cash flows from/(used in) financing activities					
Proceeds from interest bearing loans and borrowings	12.5	-	518,000,000	-	
Proceeds from Commercial papers	12.3	1,361,016,727	438,000,000	1,361,016,727	438,000,000
Proceed from short term Bank loan		200,000,000		200,000,000	
Cash proceed from green bond	12.1	1,000,000,000	-	1,000,000,000	-
Lease Rental Paid	5	(2,755,435)	(7,114,902)	-	(111,271)
Capital repayments-interest bearing loans and borrowings	12.5	(450,473,029)	(702,500,673)	(180,613,896)	(69,321,513)
Repayment of Commercial papers	12.3	(1,124,016,727)	(75,000,000)	(1,124,016,727)	(75,000,000)
Capital repayment of debenture	12.4	(208,060,000)	-	(208,060,000)	-
Dividends paid - ordinary shares	24	(64,661,713)	(86,184,827)	(64,661,713)	(86,184,827)
Tax on dividends paid by subsidiaries	22	(11,410,891)	(15,211,833)	-	-
Net cash flows from/(used in) financing activities		699,638,933	69,987,765	983,664,391	207,382,389
Net increase/(decrease) in cash and cash equivalents		378,061,395	74,261,202	403,190,460	61,982,829
Cash and cash equivalents at the beginning of the year		(148,015,897)	(222,277,098)	(97,863,442)	(159,846,271)
Cash and cash equivalents at the end of the year		230,045,498	(148,015,896)	305,327,018	(97,863,442)
Analysis of cash and cash equivalents					
Cash and cash equivalents short-term deposits	10.1	617,776,951	63,632,174	582,015,242	51,941,244
Bank overdrafts	10.2	(387,731,453)	(211,648,070)	(276,688,224)	(149,804,686)
Cash and cash equivalents at the end for the purpose of statement of cash flow		230,045,498	(148,015,896)	305,327,018	(97,863,442)

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 166 to 221 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Corporate Information

Resus Energy PLC (the 'Company') is a public limited liability company listed on Colombo Stock Exchange incorporated and domiciled in Sri Lanka. The registered office of the Company and its subsidiaries is situated at No. 250/1, Torrington Avenue, Colombo 07. The ordinary shares of the Company are being traded on the Colombo Stock Exchange. The staff strength of the Group as at 31 March 2026 was 110 (2025-108).

1.2 Consolidated Financial Statements

The Consolidated Financial Statements of Resus Energy PLC as at and for the year ended 31st March comprise the Company and all its subsidiaries whose accounts have been consolidated therein (the 'Group'). The financial statements of all companies in the Group have a common financial year which ends on 31st March.

Resus Energy PLC does not have any identifiable parent of its own. The Company is the ultimate parent of the Group.

1.3 Principal Activities and Nature of Operations

There were no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review. Activities of the Group are described in more detail in the 'Group Structure' on page 08.

All subsidiaries of the Company as at reporting date have been incorporated in Sri Lanka.

The Company, Resus Energy PLC

The Company was incorporated on 11th June 2003 with the objective of investing in power generating companies and to carry on the business of a Venture Capital Company including investment in shares, stocks, options, funds, debentures, debenture stocks, bonds, obligations, or securities or acquiring any other interest whatsoever in any company, public authority, or business concern, investing in ordinary shares in a company engaged in any project specified in section 21H (1) (i) to (iv) of Inland Revenue Act No. 38 of 2000 as amended by the Inland Revenue (Amended) Act No. 37 of 2003 and to dispose of such investments of such terms and conditions as may be thought fit either in the name of the company or any nominee.

The company's name was changed to Resus Energy PLC from Hemas Power PLC with effect from 5th December 2014 consequent to the 75% ownership change of the Company from Hemas Holdings PLC to a consortium comprising NDB Capital Holdings Limited, ACL Cables PLC and Trydan Partners (Pvt) Limited. December 2014 consequent to the 75% ownership change of the Company from Hemas Holdings PLC to a consortium comprising NDB Capital Holdings Limited, ACL Cables PLC and Trydan Partners (Pvt) Limited.

Group Entities

Fully owned subsidiaries

Gomale Oya Hydro Power (Pvt) Limited - The Company is a special purpose entity with rights to develop 1.4MW hydro power plant in Maliboda, Deraniyagala in the district of Kegalle and commenced its commercial operations in August 2016. Gomale Oya Hydro Power (Pvt) Limited generated 2.75 GWh (2.77 GWh – 2024/25) of electricity from hydro power during the year under review and transmitted to feed the national grid.

Moragaha Oya (Pvt) Limited – The Company is a special purpose entity with the right to develop 1.5MW hydro power plant located in Panvila, Theldeniya in the district of Kandy and commenced its commercial operations in March 2017. Moragaha Oya (Pvt) Limited generated 4.55 GWh (5.59 GWh – 2024/25) of electricity from hydro power during the year under review and transmitted to feed the national grid.

Upper Huluganga (Pvt) Limited – The Company is a special purpose entity with rights to develop 1.9MW hydro power in Panvila, Theldeniya and commenced its commercial operations in July 2019 Upper Huluganga project generated 5.81 GWh (5.47 GWh – 2024/25) of electricity from hydro power during the year under review and transmitted to feed the national grid.

J.B Power (Pvt) Limited – The Company is a special purpose entity with rights to develop 0.7MW hydro power at Maliboda, Deraniyagala and commenced its commercial operations in November 2018 Ranwala Oya project generated 3.30 GWh (3.48 GWh – 2024/25) of electricity from hydro power during the year under review and transmitted to feed the national grid.

Resus Solar (Pvt) Limited - The Company is a special purpose entity with the right to develop Solar power plants in Mahiyanganaya, Siyambalanduwa and Ampara areas with a total capacity of 12MW. Company commenced its commercial operations in May 2022. Mahiyanganaya & Siyambalanduwa Project generated 10.81 GWh (12.39 GWh – 2024/25) of electricity during the year and transmitted to feed the national grid. Commercial operations of Ampara 5MW Solar power project generated 7.44 Gwh.

Sierra Power (Pvt) Limited – The Company is a special entity with rights to develop a 2MW hydro power plant in Yatimadura area in Nuwara Eliya District and commenced its commercial operations in May 2021. Karapalagama small hydro power project generated 5.78 GWh (6.96 GWh – 2024/25) of electricity during the year under review and transmitted to feed the national grid.

Resus Engineering (Pvt) Limited – The Company is incorporated to carry out design, consultancy and construction in the fields of electrical, mechanical and electronic engineering. During the year company entered into an agreement with RDA projects.

Resus Eastern Solar (Pvt) Limited – The Company is a special purpose entity with the right to develop 02MW Solar power plant in Ampara area and 01MW Solar power plant Palkelele area.

Resus Solar Electric (Pvt) Limited – The Company was incorporated with the purpose of developing Solar power and ancillary services in the field of electricity generation and transmission.

1.4 Date of Authorization for Issue

The Consolidated Financial Statements of Resus Energy PLC for the year ended 31 March 2026 authorised for issue by the Board of Directors on 31st August 2026.

2. BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of Compliance

The Consolidated Financial Statements of the Group and separate financial statements of the Company comprise of the statement of financial position, statement of profit

or loss, statement of other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto have been prepared in accordance with Sri Lanka Accounting Standards, promulgated by the Institute of Chartered Accountants of Sri Lanka (CA-Sri Lanka) and comply with the requirements of the Companies Act, No. 7 of 2007 and the listing rules of the CSE.

2.1.2 Responsibility for financial statements

The board of directors is responsible for the preparation and presentation of the financial statements of the Group and the Company as per Sri Lanka Accounting Standards and the provision of the Companies Act No. 07 of 2007.

2.1.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial investment Fair Value through OCI which has been measured at fair value and defined benefit obligations is recognised as the present value of the defined benefit obligation.

2.1.4 Functional and Presentation Currency

These consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

Comparative Information

The presentation and classification of the Financial Statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year. These have not resulted in any change in the results of the Company/ Group.

2.2 Significant Accounting Judgements, Estimation and Assumptions

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is set out below.

2.2.1 Going Concern

After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed including matters disclosed in Note 29 in these financial statements the Directors have a reasonable expectation that the Company and Group possesses adequate resources to continue to adopt the going concern basis in preparing the financial statements.

2.2.2 Defined Benefit Obligations

The Group annually measures the present value of the promised retirement benefits for gratuity, which is a Defined Benefit Plan. The cost of providing benefits under the defined benefits plans is determined using the projected unit credit method. This involves making assumptions on discount rates, future salary increases, mortality rates. All assumptions are reviewed at each reporting date. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. See Note 13 for the assumptions used.

2.2.3 Estimation of useful Life of Property, Plant and Equipment

The Group reviews the residual values, useful lives, and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.2.4 Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised,

based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.2.5 Impairment of non-financial assets

The Group determines whether the assets have been impaired by performing an impairment review. If any such indication exists or when annual impairment testing for the assets is required, the Group makes an estimate of the assets recoverable amount. This requires the estimation of the 'value in use' of the cash generating units. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the cash generating unit and to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence, they are subject to uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

3.1 Basis of consolidation

3.1.1 General

The consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on “Consolidated Financial Statements”. Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (Controlling Interest) and attributable to minority shareholders with non-controlling interest.

3.1.2 Subsidiaries

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- I. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- II. Exposure, or rights, to variable returns from its involvement with the investee
- III. The ability to use its power over the investee to affect the amount of the investor's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- I. The contractual arrangement between the investor and other vote holders.
- II. Rights arising from other contractual arrangements
- III. The investor's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.1.3 Business Combination

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date of fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be a financial liability or as equity that is a financial instrument and within the scope of LKAS 32 Financial Instruments: presentations. If the contingent consideration is not within the scope of LKAS 32, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in profit or loss or as a change to the other comprehensive income (OCI).

NOTES TO THE FINANCIAL STATEMENTS

3.1.4 Goodwill and gain from a Bargain Purchase arising on the Acquisition of Subsidiaries

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain (bargain purchase) is recognised immediately in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred; the gain is recognised in profit or loss.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually as at 31 March the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.1.5 Non-Controlling Interest

Non-Controlling Interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the Consolidated Statement of profit and loss and within equity in the Consolidated Statement of Financial Position separately from parent shareholders' equity.

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. The Group elects whether to measure the non-controlling interest in the proportionate share of the acquiree's fair value or at the proportionate share of the acquiree's identifiable net assets.

3.1.6 Associates (equity accounted investees) and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. However, the Company does not have any interest in associate and joint ventures during the year under review.

Under the equity method, the investment in an associate and joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity

of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of profit and loss and represents profit or loss before tax.

The Financial Statements of the associate and joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of related taxes.

The following specific recognition criteria must also be met before revenue is recognised:

(a) Electricity Supplied

Revenue from electricity supplied is recognised upon delivery of electricity to Ceylon Electricity Board. Delivery of electrical energy shall be completed when electrical energy meets the specifications as set out in Standardised Power Purchase Agreements (SPPA) is received at the metering point.

(b) Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income earned by subsidiaries is included under finance income in the Statement of profit or loss and the interest income earned by the Company from its venture capital activities is shown under Revenue.

(c) Dividends

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

(d) Construction contracts

Revenue from construction related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. The group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

(e) Others

Other income is recognised on an accrual basis when it is probable that future economic benefits will flow to the group.

3.3 Foreign Currency

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction.

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Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the Statement of profit or loss except for all monetary items that forms part of a net investment in a full operation. These are recognised in other comprehensive income until the disposal of the net investment. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

(b) Foreign Operations

The assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their Statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Statement of profit or loss.

3.4 Taxation

3.4.1 Income Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of profit or loss.

Resus Energy PLC - Parent

As per section 02 of Inland Revenue Act No 24 of 2017 Amendment No 45 of 2022, gains and profits from supply of electricity to national grid generated using renewable energy resources by a company will be taxed at 30%.

Moragaha Oya (Pvt) Limited – Subsidiary

Pursuant to the agreement entered with BOI, profits of Moragaha Oya (Pvt) Ltd are exempted from income tax for a period of five (5) years reckoned from the year of assessment as may be determined by the BOI, in which the company commences to make profits or any year of assessment not later than two (2) years from the date of commencement of commercial operations of the company, whichever is earlier.

After expiration of the aforesaid tax exemption period, the profit of Moragaha Oya (Pvt) Limited shall be charged for income tax at the rate of 10% for a period of two (2) years immediately succeeding the last date of the tax exemption period.

After expiration of the aforesaid two years concessionary tax period at the rate of 10%, the profits of the company shall, for any year of assessment, be charged at the rate of 20%.

Upper Huluganga (Pvt) Limited, J.B Power (Pvt) Limited, Resus Solar (Pvt) Ltd, Sierra Power (Pvt) Ltd, Gomale Oya Hydro Power (Pvt) Limited, Resus Engineering (Pvt) Ltd – subsidiary

These Companies have not been granted any specific tax holidays under the BOI agreements. However, as per section 02 of Inland Revenue Act No 24 of 2017

Amendment No 45 of 2022, gains and profits from supply of electricity to national grid generated using renewable energy resources by a company will be taxed at 30%.

3.4.2 Deferred Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except;

- i) The initial recognition of goodwill: or
- ii) The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except: where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5 Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production of electricity and for administrative purposes which is expected to be used during more than one period.

(a) Recognition and Measurement

Property, Plant and Equipment is stated at cost except freehold lands, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the expenditure that is directly attributable to the acquisition/construction, cost of replacing component parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises net book value of the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied.

(b) Subsequent Cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repair and maintenance costs are recognised in the statement of profit or loss as incurred.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the

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lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

(d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

(e) Revaluation

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of profit or loss, in which case the increase is recognised in the Statement of profit or loss. A revaluation deficit is recognised in the Statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.6 Leases

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

a. The Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

b. The Company as lessee

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

Right-of-use assets

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

The right-of-use assets are presented in Note 5.1 are subject to impairment in line with the Company's policy as described in Note 3,7 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease

payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

3.7 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculations on detailed budgets and forecasts which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecasts generally covering a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the

revaluation was taken to other comprehensive income. In this case,

The impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Borrowing Costs

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

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw Materials - At weighted average cost basis
- Consumables and Spares - At weighted average cost basis
- Goods-in-Transit and Other Stocks - At actual cost

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Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

3.10 Financial Instruments- Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the group becomes a party to the contractual provisions of the instrument.

3.10.1 Financial Assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 3.2, Revenue from contracts with customers.

In order for a financial asset (excluding equity instruments) to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

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

3.10.1.1 Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding Financial assets at amortised cost are subsequently measured using the effective

interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost include trade receivables and amounts due from related companies.

3.10.1.2 Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

3.10.1.3 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.10.1.4 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to

be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

3.10.2 Impairment of financial assets

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

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Management has evaluated the recoverability of inter-company balances as of reporting date and has determined that no impairment provision is required

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

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3.10.3 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.10.4 Financial liabilities

3.10.4.1 Recognition and measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.10.4.2 Derecognition of financial liabilities

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

3.10.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10.6 Stated capital

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

3.10 Fair Value measurement

The Group measures financial instruments such as financial assets Available for sale and non-financial assets such as certain classes of Property, Plant and Equipment at fair value. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised under the respective notes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as defined benefit obligations. Involvement of external valuers is decided upon annually after discussion with and approval by the Group's Board Audit Committee wherever necessary. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board Audit Committee, whenever necessary after discussions with the Group's external valuers decide which valuation techniques and inputs to use for each case.

At each reporting date the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 25.

3.11 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of financial position comprise cash at banks and on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the Group statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.13 Employee benefits

(a) Defined Contribution Plans –Employees’ Provident Fund and Employees’ Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees’ Provident Fund (EPF) contributions and Employees’ Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS -19 on ‘Employee Benefits’.

The Company contributes 12% and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively. The contributions made are expensed to Profit or Loss as and when the contributions are made.

(b) Defined Benefit Plan – Gratuity

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees. Such defined benefit obligation is a post-

employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on ‘Employee Benefits’.

The liability recognised in the Statement of financial position is the present value of the defined benefit obligation at the reporting date. The calculations are performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in other comprehensive income. The discount rate has been derived considering the yield of government bonds.

However, as per the payment of Gratuity Act No. 12 of 1983, this liability only arises upon completion of 5 years of continued service.

The gratuity liability is not externally funded.

3.14 Business Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Managing Director (MD) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the MD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.15 Comparative Information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. Prior year figures and phrases have been restated or reclassified where necessary to conform to the current year presentation.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new accounting standards, amendments and interpretations that are issued, but not yet effective up to the date of issuance of the company’s financial

statements are disclosed below. The company intends to adopt these new accounting standards, amendments and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied. SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial

statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT

4.1 Group

	Freehold land	Civil constructions at power plants	Office equipment	Furniture and fittings	Plant and machinery at power plants
Cost					
Balance 1st April 2024	158,583,107	2,400,351,404	13,139,713	17,173,223	2,734,309,939
Additions	-	268,285	2,862,698	342,630	557,216
Disposals	-	(110,000)	(754,595)	-	(22,640)
Transfer - Capital work in progress	-	119,441,601			356,649,131
Balance as at 31st March 2025	158,583,107	2,519,951,290	15,247,816	17,515,853	3,091,493,646
Additions	-	-	1,144,511	33,125	284,776,470
Disposals	-	-	-	-	-
Transfer - Capital work in progress	-	161,238,503	-	-	
Balance as at 31st March 2026	158,583,107	2,681,189,793	16,392,327	17,548,978	3,376,270,116
Accumulated depreciation					
Balance 1st April 2024	-	241,470,001	10,748,871	16,327,980	435,514,313
Charge for the year	-	39,200,002	1,248,463	416,424	82,047,122
Transfers/ disposals	-	(110,000)	(752,702)	-	(6,099)
Balance as at 31st March 2025	-	280,560,003	11,244,632	16,744,404	517,555,336
Charge for the year	-	43,128,119	840,662	124,073	100,020,241
Disposals	-	-	-	-	-
Balance as at 31st March 2026	-	323,688,122	12,085,294	16,868,477	617,575,577
Carrying value as at 31st March 2025	158,583,107	2,239,391,287	4,003,184	771,449	2,573,938,310
Carrying value as at 31st March 2026	158,583,107	2,357,501,671	4,307,033	680,501	2,758,694,539

4.2 During the year fixed assets additions and cash payments - Group

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 544,339,765/- (2025 - Rs. 626,927,414/-). Cash payments amounted to Rs. 520,595,648 (2025 - Rs. 622,423,834/-) were made during the year for acquisition/construction of Property, Plant and Equipment.

Computer equipment	Motor vehicles	Generators	Construction in Progress	Total
9,946,426	10,902,780	2,347,752	109,418,284	5,456,172,628
1,881,976	460,000	-	620,554,609	626,927,414
(391,324)	-	(9,000)	(65,000)	(1,352,559)
			(476,090,732)	-
11,437,078	11,362,780	2,338,752	253,817,161	6,081,747,483
1,950,945	731,950	-	539,444,050	544,339,765
-	-	-	-	-
-	-	-	(444,979,789)	-
13,388,023	12,094,730	2,338,752	348,281,422	6,626,087,248
9,381,771	10,852,224	1,971,170	-	726,266,330
779,631	145,980	125,004	-	123,962,626
(391,324)	-	(9,000)	-	(1,269,125)
9,770,078	10,998,204	2,087,174	-	848,959,831
1,022,319	139,490	125,004	-	145,399,908
-	-	-	-	-
10,792,397	11,137,694	2,212,178	-	994,359,739
1,667,000	364,576	251,578	253,817,161	5,232,787,652
2,595,626	957,036	126,574	348,281,422	5,631,727,509

NOTES TO THE FINANCIAL STATEMENTS

4.3 Information on freehold lands and buildings of the group - extents and locations

4.3.1 Freehold lands

Name of the company	Location	Freehold land extent
Resus Energy PLC	No 503, Thimbirigasyaya Road, Colombo 05	0A - 0R - 12.56P
Resus Energy PLC	Giddawa, Digana, Teldeniya	1A - 3R - 30.90P
Resus Energy PLC	Dikkellakanda, Maliboda, Deraniyagala	0A - 3R - 31.83P
Gomale Oya Hydro Power (Pvt) Limited	Magala, Deraniyagala	1A - 0R - 26.91P
		4A - 0R - 22.20P

4.3.2 Freehold buildings

Name of the company	Location	No. of buildings	Sq. ft. of buildings
Resus Energy PLC	Giddawa, Digana, Teldeniya	2	4,103
Resus Energy PLC	Lindula, Talawakelle	2	5,078
Resus Energy PLC	Dikkellakanda, Maliboda, Deraniyagala	2	3,504
Resus Energy PLC	Mahagalugolla, Siyambalanduwa	2	450
Gomale Oya Hydro Power (Pvt) Limited	Magala, Deraniyagala	2	2,518
Moragaha Oya (Pvt) Limited	Digana, Teldeniya	1	1,520
JB Power (Pvt) Limited	Maliboda, Deraniyagala	1	2,100
Upper Huluganga (Pvt) Ltd	Kosgama, Panvila	1	1,400
Sierra Power (Pvt) Ltd	Karapalagama, Hanguranhetha	1	2,050
Resus Solar (Pvt) Ltd	Kuda Oya, Wellanpela, Mahiyanganaya	3	1,095
Resus Solar (Pvt) Ltd	Neeththa, Damana, Ampara	2	550
		19	24,368

The carrying value of the above buildings is reflected under civil constructions in hydropower and Solarpower plants.

4.4 Property, plant and equipment pledged as security against long-term bank loans

Land, buildings including civil structures and power generating equipment of hydro and solar power projects with a carrying value of Rs. 4,256,970,972/- have been pledged as security against bank loans as at the reporting date (2025 - 4,256,970,972/-).

Company	Lender	Carrying value as at 31st March 2026 (Rs.)				Total loan outstanding as at 31st March 2026 (Rs.)
		Freehold land	Civil structures	Power plant and machinery	Total	
Resus Energy PLC	National Development Bank PLC / Seylan Bank PLC	16,000,000	470,238,069	525,759,681	1,011,997,750	70,459,397
Gomale Oya Hydro Power (Pvt) Ltd	Sampath Bank PLC	3,900,000	114,237,550	110,844,469	228,982,019	54,422,500
Moragaha Oya (Pvt) Ltd	Pan Asia Banking Corporation	-	175,083,728	159,928,012	335,011,740	165,106,152
JB Power (Pvt) Ltd	DFCC Bank PLC	-	175,590,398	89,900,736	265,491,134	138,804,602
Upper Huluganga (Pvt) Ltd	Pan Asia Banking Corporation	-	293,009,253	128,127,113	421,136,366	218,588,557
Sierra Power (Pvt) Ltd	DFCC Bank PLC	-	398,071,258	203,373,039	601,444,297	581,873,970
Resus Solar (Pvt) Ltd	DFCC Bank PLC / Commercial Bank of Ceylon PLC	-	455,796,028	937,111,638	1,392,907,666	729,874,590
		19,900,000	2,082,026,284	2,155,044,688	4,256,970,972	1,958,829,775

4.5 Fully depreciated but still in use

The cost of fully-depreciated property, plant and equipment of the Group which are still in use amounted to Rs. 64,470,237/- (2025 - Rs. 62,114,130/-).

4.6 Impairment

Based on the assessment of potential impairment carried out internally for fixed assets by the board of directors as at 31 March 2026, no provision was required to be made in the financial statements.

4.7 Borrowing Costs

Borrowing costs amounting Rs. 23,721,187/- that are directly attributable to the acquisition, construction or production of a qualifying assets have been capitalized during the year as part of the cost of the asset in accordance with Sri Lanka Accounting Standard - LKAS 23 on Borrowing Costs (2025- Rs. 4,503,580/-)

4.8 The useful lives of the assets of the Group are estimated as follows:

	2026	2025
Civil constructions at power plants	60 Years*	60 Years
Plant and machineries at power plants	33 1/3 Years*	33 1/3 Years
Office equipment	8 Years	8 Years
Furniture and fittings	8 Years	8 Years
Computer equipment	3 Years	3 Years
Motor vehicles	6 Years	6 Years
Generators	8 Years	8 Years

* The useful life of Civil Constructions and Power Plant and Machineries have been determined by Management, considering experience and/or knowledge of existing contract term and its expected renewals upon contract expiry.

NOTES TO THE FINANCIAL STATEMENTS

4.9 Company

	Freehold land	Civil construction at power plants	Plant and machinery at power plants	Computer equipment
Cost				
Balance 1st April 2024	154,683,107	625,274,470	833,537,907	9,299,938
Additions		-		1,227,699
Transfers/ disposals	-	(110,000)	(22,640)	(391,324)
Balance as at 31st March 2025	154,683,107	625,164,470	833,515,267	10,136,313
Additions during the Year	-	-		888,600
Disposals	-			
Balance as at 31st March 2026	154,683,107	625,164,470	833,515,267	11,024,913
	154,683,107	625,164,470	833,515,267	11,024,913
Accumulated depreciation				
Balance 1st April 2024	-	133,546,841	257,645,250	8,859,272
Charge for the year		10,799,780	25,003,531	708,986
Transfers/ disposals	-	(110,000)	(6,099)	(391,324)
Balance as at 31st March 2025	-	144,236,621	282,642,682	9,176,934
Charge for the year		10,689,780	25,112,904	572,897
Disposals	-			
Balance as at 31st March 2026	-	154,926,401	307,755,586	9,749,831
	-	154,926,401	307,755,586	9,749,831
Carrying value as at 31st March 2025	154,683,107	480,927,849	550,872,585	959,379
Carrying value as at 31st March 2026	154,683,107	470,238,069	525,759,681	1,275,082

4.10 During the year fixed assets additions and cash payments - Company

During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 19,393,990/- for cash payments. (2025-Rs.3,679,042-).

4.11 Fully depreciated but still in use

The cost of fully depreciated assets of the Company which are still in use as at 31 March 2026 amounts to Rs. 62,855,137/- (2025-Rs.58,042,891).

4.12 Borrowing Costs

There is no borrowing cost capitalized during the year in accordance with Sri Lanka Accounting Standards - LKAS 23 on Borrowing Costs during the periods ending 31st March 2026 and 31st March 2026.

Motor vehicles	Office equipment	Furniture and fittings	Generators	Capital work in Progress	Total
9,809,050	11,571,772	16,505,490	1,347,752	170,083	1,662,199,569
-	314,786	42,293		2,094,264	3,679,042
	(754,595)		(9,000)		(1,287,559)
9,809,050	11,131,963	16,547,783	1,338,752	2,264,347	1,664,591,052
-	100,750	33,125		18,371,545	19,393,990
					-
9,809,050	11,232,713	16,580,908	1,338,752	18,371,515	1,683,985,042
9,809,050	11,232,713	16,580,908	1,338,752	20,635,862	1,683,985,042
9,807,248	10,219,805	16,103,961	1,347,752	-	437,530,128
	993,925	320,445		-	37,826,667
	(752,702)	-	(9,000)	-	(1,269,125)
9,807,248	10,461,028	16,424,406	1,338,752	-	474,087,670
1,802	242,314	19,638		-	36,639,335
				-	-
9,809,050	10,703,342	16,444,044	1,338,752	-	510,727,005
9,809,050	10,703,342	16,444,044	1,338,752	-	510,727,005
1,802	670,935	123,377	-	2,264,347	1,190,503,383
-	529,371	136,864	-	20,635,862	1,173,258,037

NOTES TO THE FINANCIAL STATEMENTS

5 RIGHT OF USE ASSETS AND LEASES

5.1 Right of use assets

Group

	Balance as at 01.04.2025	Advance payment for leases	Additions / Adjustments	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Cost				
Land - Hydro Power Plant Premises	30,481,897	-	-	30,481,897
		-	-	-
	30,481,897	-	-	30,481,897
	Balance as at 01.04.2025	Advance payment for leases	Additions / Adjustments	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Accumulated Depreciation and Impairment				
Land - Hydro Power Plant Premises	8,662,520	1,443,753	-	10,106,274
			-	-
	8,662,520	1,443,753	-	10,106,274
Net book value as at 31st March,			2026	2025
			Rs.	Rs.
Land - Hydro Power Plant Premises			20,375,623	21,819,377
			20,375,623	21,819,377

Company

	Balance as at 01.04.2025	Advance payment for leases	Additions	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Cost				
Land - Hydro Power Plant Premises	724,500	-	-	724,500
	724,500	-	-	724,500

	Balance as at 01.04.2025	Advance payment for leases	Additions / Adjustments	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Accumulated Depreciation and Impairment				
Land - Hydro Power Plant Premises	343,183	57,197	-	400,380
	343,183	57,197	-	400,380
Net book value as at 31st March,			2026	2025
			Rs.	Rs.
Land - Hydro Power Plant Premises			324,120	381,317
			324,120	381,317

The useful lives of the assets of the Group are estimated as follows:

	2026	2025
Land	12 years-25 years	12 years-25 years

5.2 LEASE LIABILITIES

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the company's incremental borrowing rate. The movement of Lease creditor for the period is as follows;

Group

	Balance as at 01.04.2025	Additions	Interest expense	Payments	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Hydro Power Plant Premises	25,697,765	-	2,873,747	(2,755,435)	25,816,078
	25,697,765	-	2,873,747	(2,755,435)	25,816,078

Company

	Balance as at 01.04.2025	Additions	Interest expense	Payments	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Land - Hydro Power Plant Premises	494,481	-	51,303		545,784
	494,481	-	51,303	-	545,784

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Current	3,690,270	3,690,270	111,270	111,270
Non-Current	22,125,808	22,007,495	434,514	383,211
Total	25,816,078	25,697,765	545,784	494,481

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.

The following are the amounts recognized in the Statement of Profit or Loss:

Depreciation expense of Right-of-Use Assets	1,443,753	6,159,624	57,197	5,071,901
Interest expense on lease liabilities	2,873,747	2,954,652	51,303	57,416

5.3 MATURITY ANALYSIS OF LEASE LIABILITY

The table below summarises the maturity profile of the Lease Liability as at 31 March 2026 based on contractual undiscounted (principal plus interest) payments.

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Less than 1 year	3,690,270	3,690,270	111,270	111,270
1 to 5 years	16,441,080	15,641,060	445,080	445,080
More than 5 years	33,508,835	37,544,270	111,270	111,270
	53,640,185	56,875,600	667,620	667,620

The Total Cash outflow of the group for leases is Rs.2,755,435 (2025 - Rs.7,114,902), (No lease payment were made by the company during the year.) (2025 - 111,271) for leases.

6 INTANGIBLE ASSETS

6.1 Group

Gross value

	Balance as at 01.04.2025 Rs.	Additions / Impairment Rs.	Balance as at 31.03.2026 Rs.
Goodwill	181,139,889	-	181,139,889
Intangible Assets	-	8,966,006	8,966,006
	181,139,889	8,966,006	190,105,895

Total carrying value - As at 31st March

	2026 Rs.	2025 Rs.
Goodwill	125,407,510	125,407,510
	125,407,510	125,407,510

6.3 Following business acquisitions resulted in recognition of Goodwill at the year of acquisition

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Okanda Power Grid (CGU)	19,059,962	19,059,962	19,059,962	19,059,962
Upper Agra Oya Hydro Power Plant (CGU)	106,347,548	106,347,548	106,347,548	106,347,548
Sierra Power (Pvt) Ltd	55,732,379	55,732,379	-	-
	181,139,889	181,139,889	125,407,510	125,407,510

- 6.4** The Company and its subsidiaries annually carry out impairment tests on all its intangible assets. The business acquisition to which the goodwill is attributable is valued based on the earnings growth method. Assumptions applied in such computations are reviewed each year.

Goodwill as at the date of financial position has been tested for impairment and found no impairment for the carrying value. Recoverable values for the above test was estimated based on value in use of the acquired assets on business combination in the normal course of business. The key assumptions used to determine the recoverable amount are as follows;

Period covered

Period covered was as per the Standard Power Purchase Agreement(SPPA) with Ceylon Electricity Board,

Subsidiary	Discount Rate	Remaining years*	Current Tariff per KWh (Rs.)	Plant Load Factor
Okanda Power Grid (CGU)	14.00%	04 Years	14.58	36%
Upper Agra Oya Hydro Power (CGU)	14.00%	14 Years	11.29	37%
Sierra Power (Pvt) Ltd	9.53%	09 Years	18.55	35%

*The value in use computations have been prepared by assuming current SPPA will be extended/ renewed by twenty years at expiration of the remaining years. Current developments in the sector were considered to forecast the renewed tariff.

NOTES TO THE FINANCIAL STATEMENTS

6.5 The key assumptions used to determine the recoverable amount for the different CGUs, are as follows;

Variable	Cash Generating Unit	Sensitivity		
		Change	Impact on VIU	Impact on Goodwill
Discount Rate				
The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.	Okanda Power Grid (CGU)	Increase By 1%	-6%	No Impact
	Upper Agra Oya Hydro Power (CGU)	Increase By 1%	-5%	No Impact
	Sierra Power (Pvt) Ltd	Increase By 1%	-4%	No Impact
Plant Load Factor				
Plant Load Factor used is the actual output ratio of a power plant compared to its maximum potential output, assuming that historical usage reflects the plant's efficiency and effective utilization.	Okanda Power Grid (CGU)	Decreases By 1%	-3%	No Impact
	Upper Agra Oya Hydro Power (CGU)	Decreases By 1%	-3%	No Impact
	Sierra Power (Pvt) Ltd	Decreases By 1%	-1%	No Impact

The sensitivity analysis is based on a change in a key assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the Value in Use as it is unlikely that changes in assumptions would occur in isolation from one another.

Above assumptions are affected by expected future market and future economic conditions

7 INVESTMENTS IN SUBSIDIARIES

	Effective holding %		No. of shares		Cost of investment	
	2026	2025	2026	2025	2026 Rs.	2025 Rs.
As at 31 March						
Direct subsidiaries						
Rawanakanda Hydro Power (Pvt) Ltd	100%	100%	10	10	100	100
J.B Power (Pvt) Ltd	100%	100%	1,045,005	1,045,005	120,310,995	120,310,995
Resus Solar (Pvt) Ltd	100%	100%	108,833,097	85,333,097	1,256,674,435	1,064,830,970
Sierra Power (Pvt) Ltd	100%	100%	8,680,003	8,680,003	180,000,020	180,000,020
Resus Engineering (Pvt) Ltd	100%	100%	100	100	8,185,469	1,000
Upper Huluganga (Pvt) Ltd	100%	100%	660,002	660,002	66,000,020	66,000,020
Moragaha Oya (Pvt) Ltd	100%	100%	1,470,002	1,470,002	147,000,020	147,000,020
Gomale Oya Hydro Power (Pvt) Ltd	100%	100%	1,000,001	1,000,001	100,000,000	100,000,000
					1,878,171,059	1,678,143,125

7.1 Investments in Resus Solar (Pvt) Ltd and Resus Engineering (Pvt) Ltd were acquired through non-cash consideration

8 INVENTORIES

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Stocks-Tools and spare parts	52,240,737	73,584,886	14,565,064	11,290,403
Total inventories at the lower of cost and net realisable value	52,240,737	73,584,886	14,565,064	11,290,403

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Trade receivables (Note 9.1)	210,393,574	165,928,339	28,443,748	26,270,168
Advances, deposits and pre-payments	96,933,420	120,854,849	80,277,108	35,774,767
Staff loans receivable (Note 9.2)	1,854,952	1,151,299	936,585	636,266
Other receivables	271,003,797	167,317,602	268,451,887	167,156,267
Group balance receivable (Note 9.3)	-	-	305,643,936	4,249,108
	580,185,643	455,252,090	683,753,264	234,086,576

9.1 Trade receivables

Trade Receivables comprise mainly from receivable from the Ceylon Electricity Board which is the sole electricity buyer of the Group. Based on the assessment of impairment carried out on trade receivables, no impairment provision is required to be made as of the reporting date. As at 31st March 2026 and 31st March 2025, the ageing analysis of Group trade receivables is as follows

Company

	2026			
	Total	Current	< 30 days	< 60 days
	Rs.	Rs.	Rs.	Rs.
Resus Energy PLC	28,443,748	8,175,221	18,551,190	1,717,337
	28,443,748	8,175,221	18,551,190	1,717,337

NOTES TO THE FINANCIAL STATEMENTS

Group

	2026			
	Total Rs.	Current Rs.	< 30 days Rs.	< 60 days Rs.
Resus Energy PLC	28,443,748	8,175,221	18,551,190	1,717,337
Gomale Oya Hydro Power (Pvt) Ltd	1,259,031	1,259,031	-	-
Moragaha Oya (Pvt) Ltd	15,479,135	1,155,388	11,124,198	3,199,549
JB Power (Pvt) Ltd	2,903,804	2,903,804	-	-
Resus Solar (Pvt) Ltd	65,852,598	28,525,462	37,327,136	-
Sierra Power (Pvt) Ltd	53,506,103	12,921,204	21,491,330	19,093,569
Upper Huluganga (Pvt) Ltd	24,920,553	-	24,735,587	184,966
Resus Engineering (Pvt) Ltd	18,028,602	13,051,326	4,977,276	-
	210,393,574	67,991,435	118,206,717	24,195,422

Company

	2025			
	Total Rs.	Current Rs.	< 30 days Rs.	< 60 days Rs.
Resus Energy PLC	26,270,168	20,974,550	5,086,085	209,533
	26,270,168	20,974,550	5,086,085	209,533

Group

	2025			
	Total Rs.	Current Rs.	< 30 days Rs.	< 60 days Rs.
Resus Energy PLC	26,270,168	20,974,550	5,086,085	209,533
Gomale Oya Hydro Power (Pvt) Ltd	705,072	705,072	-	-
Moragaha Oya (Pvt) Ltd	10,228,522	9,040,531	-	1,187,991
JB Power (Pvt) Ltd	670,622	670,622	-	-
Resus Solar (Pvt) Ltd	31,025,280	16,510,939	14,514,341	-
Sierra Power (Pvt) Ltd	62,038,456	41,098,660	20,939,796	-
Upper Huluganga (Pvt) Ltd	12,279,316	6,706,918	5,572,398	-
Resus Engineering (Pvt) Ltd	22,710,904	21,210,904	-	1,500,000
	165,928,339	116,918,195	46,112,621	2,897,523

9.2 Staff loans receivable

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the year	1,151,299	1,143,132	636,266	810,099
Loans granted during the year	2,744,206	2,183,692	1,346,750	1,201,692
Less: Repayments	(2,040,553)	(2,175,525)	(1,046,430)	(1,375,525)
Balance at the end of the year	1,854,952	1,151,299	936,586	636,266

9.3 Group balance receivable

Company name	Relationship	Company	
		2026	2025
		Rs.	Rs.
Rawanakanda Hydro Power (Pvt) Ltd	Subsidiary	1,076,969	1,076,969
Resus Solar (Pvt) Ltd	Subsidiary	827,494	1,804,148
Resus Eastern Solar (Pvt) Ltd	Subsidiary	303,739,473	1,367,991
		305,643,936	4,249,108

9.3.1 Summary of related party balances movement is elaborated in note 28.2.

9.3.2 Based on the assessment of potential impairment carried out internally by the board of directors as at 31 March 2026, no provision was required to be made in the financial statements.

10 CASH AND CASH EQUIVALENTS

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
10.1 Favourable cash and cash equivalent balances				
Cash in hand and at bank	617,776,951	63,632,174	582,015,242	51,941,244
10.2 Unfavourable cash and cash equivalent balances				
Bank overdrafts	(387,731,453)	(211,648,070)	(276,688,224)	(149,804,686)
Total cash and cash equivalents for the purpose of statement of cash flow	230,045,498	(148,015,896)	305,327,018	(97,863,442)

NOTES TO THE FINANCIAL STATEMENTS

11 STATED CAPITAL - GROUP/COMPANY

Fully paid ordinary shares

	2026		2025	
	No of Shares	Rs.	No of Shares	Rs.
At the beginning of the year	86,184,827	967,483,260	86,184,827	967,483,260
Issue of new shares / Scrip Dividend	-	-	-	-
Share Split (1 share into total 5 shares)	344,739,308	-		
At the end of the year	430,924,135	967,483,260	86,184,827	967,483,260

11.1 The number of shares disclosed for 2026 has been adjusted to reflect the share split approved by shareholders on 30th December 2025

12 INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Commercial Papers	604,763,883	366,014,143	604,763,883	366,014,143
Debentures	413,954,959	628,142,614	413,954,959	628,142,614
Term loans	2,158,829,775	2,391,593,912	270,459,397	256,326,236
Green Bond	1,087,453,128	-	1,087,453,128	-
Inter company loan Payable	-	-	488,235,426	-
	4,265,001,745	3,385,750,669	2,864,866,793	1,250,482,993

12.1 Non Current portion of Interest Bearing Borrowings

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Debentures	-	403,290,000	-	403,290,000
Term Loans	1,622,311,694	1,968,588,942	20,650,000	172,988,380
Green Bond	1,000,000,000	-	1,000,000,000	-
Group Loan Balance	-	-	488,235,426	-
	2,622,311,694	2,371,878,942	1,508,885,426	576,278,380

12.2 Current Portion of Interest Bearing Borrowings

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Commercial Papers	604,763,883	366,014,143	604,763,883	366,014,143
Debentures	413,954,959	224,852,614	413,954,959	224,852,614
Term Loans	536,518,082	426,004,971	249,809,397	83,337,856
Green Bond	87,453,128		87,453,128	
	1,642,690,051	1,013,871,728	1,355,981,367	674,204,613

12.3 Commercial Papers

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	366,014,143	-	366,014,143	-
New commercial papers issued	1,361,016,727	438,000,000	1,361,016,727	438,000,000
Interest charged to profit or loss	11,842,304	1,589,918	11,842,304	1,589,918
Interest Transferred to Project	12,137,634	3,525,058	12,137,634	3,525,058
Interest payments	(22,230,198)	(2,100,833)	(22,230,198)	(2,100,833)
Capital repayments during the year	(1,124,016,727)	(75,000,000)	(1,124,016,727)	(75,000,000)
At the end of the year at amortised cost	604,763,883	366,014,143	604,763,883	366,014,143
Classified as current liabilities (repayable within one year)	604,763,883	366,014,143	604,763,883	366,014,143
Classified as non-current liabilities (repayable after one year)	-	-	-	-
	604,763,883	366,014,143	604,763,883	366,014,143

NOTES TO THE FINANCIAL STATEMENTS

12.4 Debentures

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
At the beginning of the year	628,142,614	628,912,608	628,142,614	628,912,608
Debenture Interest charged to Profit or loss	42,916,612	71,207,834	42,916,612	71,207,834
Debenture capital repayment	(208,060,000)		(208,060,000)	-
Debenture Interest Payments	(49,044,267)	(71,977,828)	(49,044,267)	(71,977,828)
At the end of the year at amortised cost	413,954,959	628,142,614	413,954,959	628,142,614
Classified as current liabilities (repayable within one year)	413,954,959	224,852,614	413,954,959	224,852,614
Classified as non-current liabilities (repayable after one year)		403,290,000	-	403,290,000
	413,954,959	628,142,614	413,954,959	628,142,614

12.4.1 Details of debentures as at 31 March 2026

Type	Tenure	Interest Rate	Issued Quantity	Total price
			Rs.	Rs.
B	5 Years (2022/2027)	Floating Rate of AWPLR +2.25% p.a payable quarterly	100	403,290,000
			4,032,900	403,290,000

12.5 Term Loans

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
At the beginning of the year	2,391,593,912	2,579,258,922	256,326,236	323,218,885
Loans obtained during the year	200,000,000	518,000,000	200,000,000	-
Interest charged to profit or loss (Note 20.1)	235,682,058	273,167,644	62,113,829	69,283,276
Borrowing cost capitalized	-	978,522	-	-
Interest payments	(217,973,166)	(277,310,502)	(67,366,772)	(66,854,412)
Capital repayments during the year	(450,473,029)	(702,500,673)	(180,613,896)	(69,321,513)
At the end of the year at amortised cost	2,158,829,775	2,391,593,912	270,459,397	256,326,236
Classified as current liabilities (repayable within one year)	536,518,081	423,004,970	249,809,397	83,337,856
Classified as non-current liabilities (repayable after one year)	1,622,311,694	1,968,588,942	20,650,000	172,988,380
	2,158,829,775	2,391,593,912	270,459,397	256,326,236

12.5.1 Details of loans as at 31 March 2026

Company	Facility	Lenders	Principal amount	Amount outstanding	Repayments terms*	Interest rate
Resus Energy PLC	Project Financing Loan Facility	National Development Bank PLC	350,000,000	70,459,397	Repayable in 84 monthly installments commencing from May 2020.	Weekly AWPLR based plus margin
	Project related short term financing	DFCC Bank PLC	200,000,000	200,000,000	Repayable within 3 months commencing from April 2026.	Monthly AWPLR based plus margin
Gomale Oya Hydro Power (Pvt) Ltd	Project financing loan facility	Sampath Bank PLC	98,562,500	54,422,500	Repayable in 110 monthly installments commenced from February 2023.	3 months AWPLR based plus margin
Moragaha Oya (Pvt) Ltd	Refinancing Loan	Pan Asia Bank Corporation	75,000,000	63,281,250	Repayable in 88 monthly installments commenced from December 2024.	1 month AWPLR based plus margin
	Refinancing Loan	Pan Asia Bank Corporation	115,000,000	101,824,902	Repayable in 91 monthly installments commenced from January 2025.	1 month AWPLR based plus margin
Upper Hulu Ganga (Pvt) Ltd	Refinancing Loan	Pan Asia Bank Corporation	75,000,000	63,281,250	Repayable in 88 monthly installments commenced from December 2024.	1 month AWPLR based plus margin
	Refinancing Loan	Pan Asia Bank Corporation	175,000,000	155,307,308	Repayable in 91 monthly installments commenced from January 2025.	1 month AWPLR based plus margin
J.B Power (Pvt) Ltd	Project financing loan facility	DFCC Bank PLC	172,000,000	138,504,600	Repayable in 115 monthly installments commencing from June 2020.	6 months AWPLR based plus margin
Sierra Power (Pvt) Ltd	Project Financing Loan Facility	DFCC Bank PLC	525,000,000	412,149,533	Repayable in 107 equal monthly installments after a grace period of 12 months from January 2023	Fixed rate

NOTES TO THE FINANCIAL STATEMENTS

Company	Facility	Lenders	Principal amount	Amount outstanding	Repayments terms*	Interest rate
	Credit Facility	DFCC Bank PLC	140,818,679	127,524,444	Repayable in 141 monthly installments commencing from January 2024.	Fixed rate
	Credit Facility	DFCC Bank PLC	85,000,000	42,200,000	Repayable in 121 equal monthly installments commencing from January 2024.	Fixed rate
Resus Solar (Pvt) Ltd	Project Financing Loan Facility	DFCC Bank PLC	486,500,000	362,423,402	Repayable in 132 monthly installments commencing from April 2021.	Fixed rate
	Project Financing Loan Facility	DFCC Bank PLC	317,800,000	172,436,794	Repayable in 132 monthly installments commencing from April 2021.	Fixed rate
	Credit Facility	DFCC Bank PLC	39,425,598	31,885,361	Repayable in 130 monthly installments commencing from January 2023.	Fixed rate
	Credit Facility	DFCC Bank PLC	26,132,417	14,625,446	Repayable in 24 monthly installments commencing from January 2024.	Fixed rate
	Credit Facility	DFCC Bank PLC	20,000,000	16,024,875	Repayable in 120 monthly installments commencing from January 2024.	Fixed rate
	Credit Facility	DFCC Bank PLC	65,690,134	26,630,616	Repayable in 36 monthly installments commencing from January 2024.	Fixed rate
	Project Financing Loan Facility	Commercial Bank PLC	124,500,000	101,050,000	Repayable in 108 monthly installments commencing from January 2024.	Fixed rate
	Project Financing Loan Facility	Commercial Bank PLC	39,253,103	4,798,097	Repayable in 30 monthly installments commencing from April 2024.	1 Month AWPLR based plus margin
				2,158,829,775		

*As of reporting date the classification of balances within current and non current liabilities as taken into consideration compliance of related covenants.

12.6 Green Bond

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
At the beginning of the year		-	-	-
New green bond issued	1,000,000,000	-	1,000,000,000	-
Interest charged to profit or loss	75,846,645	-	75,846,645	-
Interest Transferred to Project	11,606,483	-	11,606,483	-
At the end of the year at amortised cost	1,087,453,128	-	1,087,453,128	-
Classified as current liabilities (repayable within one year)	87,453,128	-	87,453,128	-
Classified as non-current liabilities (repayable after one year)	1,000,000,000	-	1,000,000,000	-
	1,087,453,128	-	1,087,453,128	-

12.6.1 Details of Green Bonds as at 31 March 2026

Type	Tenure	Interest Rate Rs.	Issued Quantity Rs.	Total price Rs.
Type A	4 Years (2025/2029)	Fixed rates 100	5,011,100	501,110,000
Type B	5 Years (2025/2030)	Fixed rates 100	4,988,900	498,890,000
			10,000,000	1,000,000,000

12.7 Security offered for project financing loan facilities

- Primary mortgage over immovable and movable project assets including project approvals.
- Primary mortgage bond over entirety of shares issued supported by a power of attorney.

12.8 Group Loan Balance

Company	Relationship	Company	
		2026 Rs.	2025 Rs.
J.B Power (Pvt) Ltd	Subsidiary	86,708,312	-
Upper Huluganga (Pvt) Ltd	Subsidiary	79,293,697	-
Sierra Power (Pvt) Ltd	Subsidiary	170,257,212	-
Moragaha Oya (Pvt) Ltd	Subsidiary	97,296,056	-
Gomale Oya Hydro Power (Pvt) Ltd	Subsidiary	54,680,149	-
Resus Engineering (Pvt) Ltd	Subsidiary	-	-
		488,235,426	-

Terms and Conditions

The loan bears a fixed interest rate and is repayable after 18 months from the date of drawdown.

NOTES TO THE FINANCIAL STATEMENTS

12.9 Security offered for syndicated loan facilities

a) Primary mortgage over immovable and movable project assets including project approvals.

Security offered for project financing loan facilities

a) Primary mortgage over immovable and movable project assets including project approvals.

b) Primary mortgage bond over entirety of shares issued supported by a power of attorney.

13 RETIREMENT BENEFIT OBLIGATIONS - GRATUITY

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	45,218,041	37,783,649	42,892,649	36,193,650
Charge for the year (Note 13.1)	8,184,783	7,845,347	7,111,724	7,228,032
Actuarial (gain)/loss on obligation (Note 13.2)	(5,496,467)	2,974,862	(5,992,779)	2,856,787
Benefits paid during the year	(631,507)	(3,385,820)	(631,507)	(3,385,820)
At the end of the year	47,274,850	45,218,038	43,380,087	42,892,649
13.1 The total amount charged to statement of profit or loss				
Current service cost	4,885,570	3,272,200	4,252,683	2,884,799
Interest cost on benefit obligation	3,299,213	4,573,146	2,859,041	4,343,233
	8,184,783	7,845,347	7,111,724	7,228,032
13.2 Actuarial (Gain)/Loss				
Actuarial (gains)/loss on Obligations;				
Due to Change in Demographic Assumptions	773,738	114,659	154,523	164,192
Due to Change in Financial Assumptions	(6,270,205)	2,601,276	(6,147,303)	2,358,992
Experience Adjustment	-	258,926	-	333,603
Total	(5,496,467)	2,974,862	(5,992,779)	2,856,787

13.3 Actuarial Consultant (Pvt) Ltd, carried out an actuarial valuation of the defined benefit plan - gratuity on 31st March 2026. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used as at 31st March 2026 are as follows:

	Group		Company	
	2026	2025	2026	2025
Method of Actuarial Valuation:	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Financial assumptions				
Discount rate	9% - 11%	10% - 12%	10%	10%
Salary increment Rate	10%	10%	10%	10%
Staff turnover ratio	9% - 15% p.a. for all service groups	2% - 22% p.a. for all service groups	9% - 15% p.a. for all service groups	6% - 22% p.a. for all service groups
Demographic assumptions				
Mortality rate during employment	A 1967/70 Mortality Table	A 1967/70 Mortality Table	A 1967/70 Mortality Table	A 1967/70 Mortality Table
Retirement age	60 years	60 years	60 years	60 years
Expected future working life (No of Years)	2.08 - 11.19	4.3 - 16.3	2.08	4.9

13.4 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the retirement benefit liability measurement.

Group	2026		2025	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate (Rs.)	(1,050,487)	1,153,169	(1,220,679)	1,282,767
Salary increment rate (Rs.)	923,766	(848,242)	1,520,772	(1,456,250)
Company				
Discount rate (Rs.)	(809,931)	881,793	(1,202,225)	1,276,319
Salary increment rate (Rs.)	673,706	(622,260)	1,513,814	(1,449,782)

NOTES TO THE FINANCIAL STATEMENTS

13.5 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2026 is as follows.

	Defined Benefit Obligation			
	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Future Working Life Time				
Within next 12 months	29,606,249	2,869,940	29,606,249	2,803,358
Between 2-5 years	5,645,705	33,058,859	5,645,705	32,609,009
Beyond 5 years	12,022,896	9,289,240	8,128,132	7,480,282
Total	47,274,850	45,218,038	43,380,087	42,892,649

14 DEFERRED TAX

14.1 Movement

	Group			
	Deferred tax asset		Deferred tax liability	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance at beginning of the year	595,615,042	637,666,147	(260,904,338)	(213,273,959)
(Charge)/release arising during the year recognised in the statement of profit or loss	(5,759,642)	(42,043,285)	6,993,481	(48,530,657)
Deferred tax effect on actuarial (gain)/loss recognised in the OCI	(5,304)	(7,820)	(1,659,558)	900,279
Balance at end of the year	589,850,096	595,615,042	(255,570,415)	(260,904,338)

	Company			
	Deferred tax asset		Deferred tax liability	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance at beginning of the year	-	-	(95,863,906)	(84,382,755)
(Charge)/release arising during the year recognised in the statement of profit or loss	-	-	23,660,139	(12,338,187)
Deferred tax effect on actuarial (gain)/loss recognised in the OCI	-	-	(1,797,834)	857,036
Balance at end of the year	-	-	(74,001,600)	(95,863,906)

Deferred Tax has been computed using the current tax rate of 30% (2025-30%) for the company and Group

14.2 The closing deferred tax assets and (liability) balances relate to the following

	Group					
	Statement of financial position		Statement of profit or loss		Other comprehensive income	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Accelerated depreciation for tax purposes	(601,244,100)	(532,559,888)	(68,797,836)	(119,595,252)	-	-
Retirement benefits obligations	13,539,284	13,512,650	1,675,574	1,321,215	(1,648,940)	892,459
Unutilised tax losses	921,984,496	853,757,943	68,356,101	27,700,095	-	-
Deferred tax (charge)/ release	-	-	1,233,839	(90,573,942)	(1,648,940)	892,459
Net deferred tax assets/ (liabilities)	334,279,680	334,710,704	-	-	-	-

	Company					
	Statement of financial position		Statement of profit or loss		Other comprehensive income	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Accelerated depreciation for tax purposes	(108,214,602)	(108,731,700)	517,099	(13,490,851)	-	-
Retirement benefits obligations	13,014,026	12,867,794	1,944,065	1,152,664	(1,797,834)	857,036
Unutilised tax losses	21,132,476	-	21,132,476	-	-	-
ROU and lease liability	66,499	-	66,499	-	-	-
Deferred tax (charge)/ release	-	-	23,660,139	(12,338,187)	(1,797,834)	857,036
Net deferred tax assets/ (liabilities)	(74,001,600)	(95,863,906)	-	-	-	-

14.3 The Recoverability of Deductible temporary differences

The recoverability of the deferred tax assets arising from unutilized carry forward tax losses is based on the extent to which it is probable that taxable profits will be available from actions both taken as of the date of release of these financial statements and that the board of directors/management have committed to take in future. Due to the sensitivity of these strategic business actions, further details have not been disclosed.

NOTES TO THE FINANCIAL STATEMENTS

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Trade and other payables	46,110,812	162,486,187	-	-
Group balance payable (note 15.1)	-	-	-	491,109,284
Sundry creditors including accrued expenses	63,786,281	27,785,650	48,544,235	24,389,094
	109,897,093	190,271,837	48,544,235	515,498,378

15.1 Group balance payable

Company name	Relationship	Company	
		2026	2025
		Rs.	Rs.
J.B Power (Pvt) Ltd	Subsidiary	-	75,425,453
Upper Huluganga (Pvt) Ltd	Subsidiary	-	41,442,813
Sierra Power (Pvt) Ltd	Subsidiary	-	151,196,506
Moragaha Oya (Pvt) Ltd	Subsidiary	-	153,839,696
Gomale Oya Hydro Power (Pvt) Ltd	Subsidiary	-	61,651,216
Resus Engineering (Pvt) Ltd	Subsidiary	-	7,553,600
		-	491,109,284

15.1.1 Summary of related party balances movement elaborated in note is 28.2

16 REVENUE

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Supply of electricity - Hydro power	594,980,875	693,402,225	258,169,132	287,687,492
Supply of electricity - Solar power	331,608,842	243,816,514	58,075,303	58,075,303
Consultancy & Engineering Services	81,503,105	132,705,254	-	-
	1,008,092,822	1,069,923,993	316,244,435	345,762,795

16.1 Billing Under Standardized Power Purchase Agreement

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Billing under standardized power purchase agreement	2,217,157	171,393,612	962,776	65,032,572
	2,217,157	171,393,612	962,776	65,032,572

The group/company have recorded the additional payments received from Ceylon Electricity Board (CEB) as “billing under the standardized power purchase Agreement” which were recorded and billed as per the provisions of the Standardized power purchase Agreement with CEB.

17 OTHER OPERATING INCOME/(EXPENSE)

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Gain/(Loss) on Fixed Assets Disposal	-	(18,434)	-	(18,434)
Dividend Income	-	-	64,661,713	86,200,388
Sundry income	49,374,722	21,350,820	25,299,843	5,146,320
	49,374,722	21,332,386	89,961,556	91,328,274

18 SUMMARISED MATERIAL FINANCIAL INFORMATION OF SUBSIDIARIES

Group	2026		2025	
	Revenue	Operating Profit	Revenue	Operating Profit
	Rs.	Rs.	Rs.	Rs.
Gomale Oya Hydro Power (Pvt) Ltd	26,887,026	12,726,637	22,428,279	4,495,356
Moragaha Oya (Pvt) Ltd	44,076,678	23,935,079	103,479,518	75,940,339
J.B Power (Pvt) Ltd	48,189,402	30,730,654	66,672,251	50,423,590
Upper Hulu Ganga (Pvt) Ltd	110,366,854	88,338,971	138,330,845	114,453,026
Sierra Power (Pvt) Ltd	108,529,922	100,489,445	165,345,620	148,252,475
Resus Solar (Pvt) Ltd	273,549,780	183,502,989	201,560,469	143,577,996
Resus Engineering (Pvt) Ltd	81,503,105	5,643,197	132,705,254	589,238

19 IMPAIRMENT CHARGE

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Impairment of goodwill	-	-	-	-
	-	-	-	-

Based on the assessment of potential impairment carried out internally by the board of directors as at 31 March 2026, no provision was required to be made in the financial statement.

NOTES TO THE FINANCIAL STATEMENTS

20 NET FINANCE COST

20.1 Finance cost

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest on overdrafts	34,200,059	34,328,366	25,743,624	24,884,267
Term loan interest	235,682,058	273,167,644	62,113,829	69,283,276
Commercial Paper Interest	11,842,304	1,589,918	11,842,304	1,589,918
Green Bond Interest	75,846,645	-	75,846,645	-
Other Finance Cost	4,181,606	-	4,181,606	-
Bank Guarantee Charges	896,063	-	896,063	-
Inter-company Interest	-	-	36,300,000	-
Debenture interest	42,916,612	71,207,834	42,916,612	71,207,834
Other finance cost	16,664	11,791,470	16,664	7,985,227
Finance cost - RoU Assets	2,873,747	2,954,652	51,303	57,416
	408,455,758	395,039,883	259,908,650	175,007,938

20.2 Finance income

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest income on staff loans	64,848	62,163	41,140	51,455
Income from Unit trust investments	6,265,679	3,861,682	6,265,679	3,861,682
Interest income-others	3,243,286	750,565	2,238,208	740,624
	9,573,814	4,674,410	8,545,027	4,653,761
Net finance cost	398,881,944	390,365,473	251,363,623	170,354,177

21 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Stated after charging all expenses including the following :				
Depreciation (Note 4)	145,399,908	123,962,626	36,639,335	37,826,667
Depreciation- Right of use assets (Note 05)	1,443,753	6,159,624	57,197	5,071,901
Directors' fees and emoluments - Short-term employment benefits (Note 28.1)	40,449,448	43,378,271	44,949,448	43,378,271
- Post-employment benefits	7,141,798	9,364,107	7,141,798	9,364,107
Donations	970,071	845,862	390,761	506,584
Auditors' remuneration;				
-Auditors' fees	3,321,984	2,930,000	1,696,046	1,650,000
-Non-audit services	694,810	694,810	694,810	694,810
Staff costs;				
- Defined contribution plan costs - EPF and ETF	17,376,349	14,276,630	13,768,041	12,232,526
- Defined benefit plan costs - Gratuity (Note 13.1)	8,184,783	7,845,347	7,111,724	7,228,032
- Other staff costs	111,195,109	114,057,884	84,483,001	88,719,406

22 TAX EXPENSES / (REVERSALS)

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Current tax expense (Note 22.1)	19,145,485	44,698,553	-	11,029,777
Under/(Over) provision of current taxes in respect of prior year	1,391,983	4,114,410	763,307	4,021,525
Tax on dividend paid by subsidiaries	11,410,891	15,211,833	-	-
Deferred tax charge/(release) (Note 14.2)	(1,233,839)	90,573,942	(23,660,139)	12,338,187
Total tax expense included in statement of profit or loss	30,714,520	154,598,738	(22,896,832)	27,389,489

22.1 Reconciliation of accounting profit to current tax expense

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit/(Loss) before taxation	187,692,183	369,569,293	(44,129,499)	135,360,935
Consolidated adjustments	64,661,713	86,200,388	-	-
Adjusted Profit/(Loss) before taxation	252,353,896	455,769,681	(44,129,499)	135,360,935
Profit/Income not subject to Income tax	(64,661,713)	(86,200,388)	(64,661,713)	(86,200,388)
Other sources of income	8,545,028	(4,674,410)	8,545,028	(4,653,761)
Aggregate allowable expenses	(550,405,081)	(509,277,363)	(30,290,408)	(65,274,326)
Aggregate disallowed items	159,248,424	144,492,202	45,077,650	52,879,701
Tax losses claimed during the year	(32,043,038)	(62,164,707)	-	-
Tax losses carried Forward	3,088,472,910	223,496,704	76,913,914	-
Taxable profit/(loss) from business	(226,962,484)	161,441,720	(85,458,942)	32,112,162
Components of Taxable profit/(loss) from business:				
Taxable profits from business	(226,962,484)	161,441,720	(85,458,942)	32,112,162
Investment Income	(8,545,028)	4,674,410	8,545,028	4,653,761
	(226,707,512)	166,116,130	(76,913,914)	36,765,923
Income tax @ 20% - (2025-20%)	572,063	8,659,760	-	-
Income tax expense @ 30% - (2025-30%)	18,573,423	36,038,793	-	11,029,776
Total income tax expenses	19,145,485	44,698,553	-	11,029,777

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Tax losses brought forward	2,833,426,126	2,742,060,911	-	-
Prior year adjustments	13,218,586	510,424	-	-
Tax losses Incurred during the year	273,871,235	223,496,704	76,913,914	-
Tax losses utilised during the year	(32,043,038)	(62,164,707)	-	-
Tax losses expired during the year	-	(70,477,206)	-	-
Tax losses carried forward	3,088,472,910	2,833,426,126	76,913,914	-

NOTES TO THE FINANCIAL STATEMENTS

As per the Inland revenue Act No. 24 of 2017 and subsequent amendments thereto tax losses can be deducted in full and the remaining losses relating to the enhanced capital allowances, can be carried forward up to ten years and the other tax losses up to six years. Tax losses carried forward can be utilized on availability of future taxable profit.

Moragaha Oya (Pvt) Ltd enjoys a concessionary tax rate under the provisions of the Inland Revenue Act, based on the nature of its business activities. Accordingly, the taxable income of the company is subject to a reduced rate of 20% (2025 -20%), Deferred tax has been computed using the current tax rate of 30% (2025-30%) for the Company and Group.

23 EARNINGS / (LOSS) PER SHARE

23.1 Basic earnings/(loss) per share

Basic Earnings/(Loss) Per Share is calculated by dividing the net profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Profit/(Loss) attributable to equity holders of the parent (Rs.)	156,977,663	214,970,555	(21,232,667)	107,971,446
Weighted average number of ordinary shares in issue (Note 23.1.1)	430,924,135	430,924,135	430,924,135	430,924,135
Earnings/(Loss) per share	0.36	0.50	(0.05)	0.25

23.1.1 Weighted average number of ordinary shares in issue

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Number of shares in issue as at 01st April	86,184,827	86,184,827	430,924,135	86,184,827
New shares issued during the year	344,739,308	344,739,308	344,739,308	344,739,308
Weighted average number of ordinary shares as at 31 March	430,924,135	430,924,135	430,924,135	430,924,135

The Sub -division of Ordinary Shares in the ratio of one (1) shares into five (5) Ordinary Shares was completed, during the reporting period, which shareholders approved on 30th December 2025. Accordingly this has been retrospectively adjusted when computing EPS.

The number of issued shares of the Company prior to the proposed sub-division is Eighty Six Million One Hundred and Eighty Four Thousand Eight Hundred Twenty Seven (86,184,827) shares ("Pre Sub-division of Shares") and pursuant to the proposed sub-division the number of shares of the Company is Four Hundred and Thirty Million Nine Hundred and Twenty Four Thousand One Hundred and Thirty Five (430,924,135) shares ("Post Sub-division Shares").

23.2 Diluted earnings/(loss) per share

There were no potentially dilutive ordinary shares outstanding at any time during the year ended 31 March 2026. Therefore Diluted earnings per share is same as Basic earnings per share.

24 DIVIDEND PAID

	2026 Rs.	2025 Rs.
Interim dividend paid		
Rs. 0.75 cash dividend per share declared and paid in August, 2025	64,661,713	-
Rs. 1.00 cash dividend per share declared and paid in December 2024	-	86,184,827
Total dividends	64,661,713	86,184,827

25 FAIR VALUE

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

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

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

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

As at 31st March 2026, the Group held the following financial liabilities carried at fair value on the statement of financial position:

	31.03.2026				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Group	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Financial Liabilities at amortised cost using effective interest method :					
Interest Bearing Loans and Borrowings					
- Non-current portion of long-term borrowings	2,622,311,694	2,458,390,171	-	2,458,390,171	-
- Current portion of long-term borrowings	1,642,690,051	1,645,709,914	-	1,645,709,914	-
	4,265,001,745	4,104,100,086	-	4,104,100,086	-

	31.03.2025				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Group	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Financial Liabilities at amortised cost using effective interest method :					
Interest Bearing Loans and Borrowings					
- Non-current portion of long-term borrowings	2,371,878,942	2,102,049,472	-	2,102,049,472	-
- Current portion of long-term borrowings	1,013,871,728	1,013,871,728	-	1,013,871,728	-
	3,385,750,670	3,115,921,200	-	3,115,921,200	-

NOTES TO THE FINANCIAL STATEMENTS

31.03.2026					
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Company	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Financial Liabilities at amortised cost using effective interest method :					
Interest Bearing Loans and Borrowings					
- Non-current portion of long-term borrowings	1,508,885,426	1,477,856,398	-	1,477,856,398	-
- Current portion of long-term borrowings	1,355,981,367	1,355,981,367	-	1,355,981,367	-
	2,864,866,793	2,833,837,765	-	2,833,837,765	-
31.03.2025					
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Company	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Financial Liabilities at amortised cost using effective interest method :					
Interest Bearing Loans and Borrowings					
- Non-current portion of long-term borrowings	576,278,380	575,905,416	-	575,905,416	-
- Current portion of long-term borrowings	674,204,613	674,204,613	-	674,204,613	-
	1,250,482,993	1,250,110,029	-	1,250,110,029	-

The following methods and assumptions were used to estimate the fair values:

Cash & cash equivalent, trade receivables, trade payable and other financial payables fair value approximate the related carrying amounts due to the short term maturities of these instruments.

The fair value of fixed rate financial liabilities carried at amortized cost (fixed rate loans and borrowings) has been estimated based on the discounted cashflow approach. This approach employs the current market rates of similar financial instruments as a significant unobservable input in measuring the fair value.

During the reporting period ended 31st March 2026, there were no transfers between Level 1 and Level 2 fair value measurements.

26 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting period that require adjustments to or disclosure in the financial statements.

27 COMMITMENTS AND CONTINGENCIES

27.1 Capital expenditure commitments

Group as at 31st March 2026

The Group's commitments for acquisition/construction of property, plant and equipment incidental to the ordinary course of business are as follows:

	Capital expenditure budget	Incurred as at reporting date	Capital expenditure commitment as at	
			31st March 2026	31st March 2025
	Rs millions	Rs millions	Rs millions	Rs millions
Construction of Resus eastern solar (Pvt) Ltd - Damana 2MW Plant	350	314	36	-
Construction of Resus eastern solar (Pvt) Ltd - Pallekala 1MW Plant	170	4	166	-
Construction of Resus solar (Pvt) Ltd - Damana Solar Plant				55

The Group intends to incur the above capital commitments in the ensuing financial year ending 31st March 2027.

Company

The Company has no commitment to acquire property, plant and equipment as at 31st March 2026.

27.2 Contingencies

The Department of Inland Revenue has raised income tax assessments by disputing the venture capital status of Resus Energy PLC and the treatment of interest income in the tax returns for the years of assessment 2008/2009 to 2014/2015. However, for the years of assessment 2008/2009 and 2009/2010, the Tax Appeal Commission resolved that assessments are without legal effect as the assessor has failed to give valid notice of assessment to the Appellant (Resus Energy PLC) as required by Section 164 of the Inland Revenue Act.

The aggregate value of the assessed income tax for the years of assessment 2010/2011 to 2014/15 amounts to Rs. 43.5Mn for which no provision has been made in these financial statements. The Company has filed appeals against the assessments to The Tax Appeal Commission.

Meanwhile, The Tax Appeal Commission issued its determination related to year of assessments 2010/11 to 2013/14 ruling against the Company. The Company has been appealed to the Court of Appeal against these determinations.

27.3 Litigations

There were no material litigations against the Group as at reporting date which require adjustments to or disclosure in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

28 RELATED PARTY DISCLOSURES

28.1 Transaction with key management personnel

According to Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors of the Company (Executive and Non-Executive Directors) have been classified as KMPs. As the Company is the ultimate parent of the subsidiaries, the Board of Directors of the Company has the authority and responsibility for planning or controlling the activities of the Group directly or indirectly. Accordingly, the Board of Directors of the Company (Executive and Non-Executive) are KMPs of the Group.

a. Key management personnel (KMP) compensation

	Group/Company	
	2026 Rs.	2025 Rs.
Short-term employment benefits	44,949,448	43,378,271
Post-employment benefits	7,141,798	9,364,107
	52,091,246	52,742,378

The Group also has an obligation towards a post-employment benefit plan for the Executive Directors. The liability arising from the post-employment obligation has been provided for, based on an actuarial valuation and is disclosed under Employee Benefits Obligations in note 13 to the Financial Statements.

The Executive Directors are entitled to a structured incentive scheme which is linked to performance. In addition to their salaries, the Company provides non-cash benefits to KMPs.

There are no share-based payments made to the Directors during the year. No loans were granted to KMPs of the Company.

b. Transactions with close family members of KMPs

Close family members of a key management personnel are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

There were no transactions with the close family members of KMPs during the year.

c. Transactions with Companies on which Key Management Personnel (KMP) have Control

There were no transactions with companies on which KMPs have control over. The transactions with companies in which KMPs have significant influence are disclosed in 'Directors' Interest in Contract' on page 155.

d. Terms and Conditions of Transactions with the Companies on which KMPs have Control

Outstanding balances at the year-end relating to the companies on which KMPs have control or significant influence over are set out in note 9.3 and 15.1 to the financial statements. These balances are unsecured and settlements are on demand. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31st March 2026.

e. Transactions with group entities

The Company has carried out transactions with Group entities in the ordinary course of business. The details are set out in note 28.2 to the financial statements.

No other significant transactions had been taken place during the year with the parties/entities in which key management personnel or their close family members were involved.

28.2 Transactions with subsidiary companies

The Company carried out the following transactions during the year, in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', the details of which are reported below:

Nature of transaction	Terms and conditions	Recurrent/Non-recurrent	Company	
			2026 Rs.	2025 Rs.
Net Fund transferred / (Received)		Recurrent	262,387,894	(256,194,078)
Dividend income - Ordinary Shares	Settlement of related party current accounts	Recurrent	64,661,713	86,200,388
Reimbursement of Expenses / Capital expenditures	Payable on Demand	Recurrent	(919,545,293)	519,481,125
Purchasing of Shares	Settlement of related party current accounts	Non-recurrent	488,254,935	(446,500,000)
Share transfers	Operational Purposes	Non-recurrent	(200,027,934)	1,000
Net Agregate value of Related Party Transactions			(304,268,686)	(97,011,565)

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables and Intercompany payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables, and cash and cash equivalents that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. Senior management is supported by the Board of Directors (BOD), which advises on financial risks and the appropriate financial risk governance framework for the Group. The BOD provides assurance to senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures, and that financial risks are identified, measured, and managed in accordance with Group policies and the Group's risk appetite. It is the Group's policy that all derivative activities undertaken for risk management purposes must be approved by the Board of Directors of the parent company, Resus Energy PLC.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

1. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Group's market risk primarily comprises three types of risk: interest rate risk, and other price risk, such as equity price risk. The Group's exposure to commodity price risk is considered insignificant. Financial instruments affected by market risk include loans and borrowings.

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance, while optimising returns to shareholders

NOTES TO THE FINANCIAL STATEMENTS

1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to changes in market interest rates primarily relates to its long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31st March	Group			
	2026		2025	
	Rs.	%	Rs.	%
Long-term Loans at fixed interest rates	2,887,437,122	68%	1,397,070,348	41%
Long-term Loans at variable interest rates	1,377,564,623	32%	1,988,680,322	59%
Total	4,265,001,745	100%	3,385,750,670	100%

As at 31st March	Company			
	2026		2025	
	Rs.	%	Rs.	%
Long-term Loans at fixed interest rates	1,575,688,554	55%	398,428,444	32%
Long-term Loans at variable interest rates	1,289,178,239	45%	852,054,549	68%
Total	2,864,866,793	100%	1,250,482,993	100%

Changes in market interest rate (Average Weighted Prime Lending Rate - AWPLR) will have following sensitivity on Group's finance cost.

Increase/(decrease) in AWPLR, ceteris paribus - effect on profit before tax

change in basis points:	Effect on profit before tax - 2026		Effect on profit before tax - 2025	
	Group	Company	Group	Company
	Rs.	Rs.	Rs.	Rs.
+600 / -600	82,653,877	77,350,694	119,320,819	51,123,273
+500 / -500	68,878,231	64,458,912	99,434,016	42,602,727
+400 / -400	55,102,585	51,567,130	79,547,213	34,082,182
+300 / -300	41,326,939	38,675,347	59,660,410	25,561,636
+200 / -200	27,551,292	25,783,565	39,773,606	17,041,091
+100 / -100	13,775,646	12,891,782	19,886,803	8,520,545

2. Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or customer contract, resulting in a financial loss. The Group is exposed to credit risk arising from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks and receivables from subsidiaries. The credit risk related to trade receivables primarily depends on the financial health of the Ceylon Electricity Board, which is the sole customer of the Group.

Management has evaluated the recoverability of intercompany balances and has determined that no impairment provision is required.

As at 31st March	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Trade and other receivables	580,185,643	455,252,090	378,109,328	229,837,468
Amounts due from related parties	-	-	305,643,936	4,249,108
Cash and cash equivalents	617,776,951	63,632,174	582,015,242	51,941,244
Total credit risk exposure	1,197,962,594	518,884,264	1,265,768,506	286,027,820

2.1 Cash deposit instruments

Investment of surplus funds is made only with approved counterparties by the Board of Directors of Resus Energy PLC. Counter-party exposures are reviewed by the Board of Directors on an annual basis, and updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial losses from potential counterparty's failure.

2.2 Trade receivables

Customer credit risk is managed by the Group within Group's established policy, procedures and control relating to customer credit risk management.

Outstanding receivables from Ceylon Electricity Board are regularly monitored.

3. Liquidity risk

This is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and other financial liabilities. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that it is low. Access to funding sources is considered sufficient, and debt maturing within 12 months can be either settled or rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31st March 2026 - Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	951,321,064	691,368,987	1991,129,400	631,182,294	4,265,001,745
Trade and other payables	-	-	109,897,093	-	-	-
Bank overdrafts	387,731,453	-	-	-	-	387,731,453
	387,731,453	951,321,064	801,266,080	1991,129,400	631,182,294	4,762,630,291
As at 31st March 2026 - Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	752,299,268	603,682,099	1,508,885,426	-	2,864,866,793
Trade and other payables	-	-	48,544,235	-	-	48,544,235
Bank overdrafts	276,688,224	-	-	-	-	276,688,224
	276,688,224	752,299,268	652,226,334	1,508,885,426	-	3,190,099,252

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2025 - Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	375,530,236	636,461,863	1,775,732,429	598,026,142	3,385,750,670
Trade and other payables	-	-	190,271,837	-	-	190,271,837
Bank Overdrafts	211,648,071	-	-	-	-	211,648,071
	211,648,071	375,530,236	826,733,700	1,775,732,429	598,026,142	3,787,670,577
As at 31st March 2025 - Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	258,915,130	415,289,483	573,336,713	2,941,667	1,250,482,993
Trade and other payable	-	-	515,498,378	-	-	515,498,378
Bank overdrafts	149,804,686	-	-	-	-	149,804,686
	149,804,686	258,915,130	930,787,861	573,336,713	2,941,667	1,915,786,057

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders, or issue new shares. No changes were made to the objectives, policies, or processes for managing capital during the years ended 31st March 2026 and 31st March 2025. The Group monitors capital using a gearing ratio, which is calculated as debt divided by total capital employed. The Group's policy is to maintain an optimal capital structure at an appropriate gearing level, in order to maximise the benefits of debt tax shields to the equity holders of the Group, while cautiously managing the level of financial distress associated with debt.

A summary of Group's capital structure is depicted below.

As at 31st March	2026 Rs.	2025 Rs.
Interest bearing borrowings and financial liabilities	4,652,733,199	3,597,398,740
Equity	2,568,505,428	2,472,341,950
Total equity and borrowings	7,244,562,075	6,069,740,690
Gearing ratio	64.2%	59.3%

Net Working Capital Position

As at 31st March	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Current Assets	1,250,346,510	592,544,445	1,280,476,716	297,393,485
Less :Current Liabilities				
Trade and other payables	109,897,093	190,271,837	48,544,235	515,498,378
Income tax liabilities	22,608,571	32,073,737	-	5,481,573
Liabilities settled with 3 months -Commercial papers	604,763,883	366,014,143	604,763,883	366,014,143
Bank overdrafts	387,731,453	211,648,070	276,688,224	149,804,686
Current Liabilities	1,125,001,000	800,007,787	929,996,342	1,036,798,780
Working Capital excluding current portion of long-term loans	125,345,510	(207,463,342)	350,480,375	(739,405,295)
Lease Liability	3,690,270	3,690,270	111,270	111,270
Current portion of Interest bearing loans and borrowings				
Debentures	413,954,959	224,852,614	413,954,959	224,852,614
Term Loans	536,518,081	423,004,971	249,809,397	83,337,856
Green Bonds	87,453,128	-	87,453,128	-
	1,041,616,438	651,547,855	751,327,754	308,190,470
Net Working Capital Position	(916,270,929)	(859,011,197)	(400,848,380)	(1,047,707,035)

The Group reported a profit after tax of Rs. 156.9 Mn for the year ended 31 March 2026, compared with Rs. 214 Mn in the previous year. As at 31 March 2026, the Group's current liabilities exceeded its current assets by Rs. 916 Mn (2025: Rs. 859 Mn), while the Group's retained profits stood at Rs. 1,594 Mn (2025: Rs. 1,498 Mn).

The negative net current asset position primarily arises from the timing and nature of its receivables and payables

This is an inherent position operating under the terms and conditions of the Power Purchase Agreements (PPAs) with the NSO (formerly CEB). As per the PPAs the receivables should be settled in 30 days from the invoice date which occurs monthly. When the NSO complies with this condition or if the settlement delays are insignificant, the receivable balance will be less in comparison to the years in which substantial delays occur. This has been consistently reflected in the Group's financial statements in the normal years. Ironically, therefore, when there are significant delays in settling receivables, the higher receivables balance will increase the current assets position, either leading to a lower or a positive net current position. Accordingly, the negative net current asset position should be considered in the context of the Group's underlying business model, recurring operating cash flows and the respective timing of collections and settlements, rather than being viewed in isolation"

NOTES TO THE FINANCIAL STATEMENTS

30 SEGMENT REPORTING

An operating segment is a component within the Company that engages in business activities from which it may earn distinguishable revenue and incur expenses.

Accordingly, The Group identified Hydro Power, Solar Power and Engineering Consultation as business segments and the information below is based on these primary segments.

Hydro Power

The Group operates eight fully-owned operational hydropower plants with an aggregate capacity of 14.9 MW. The aggregate operational results of hydropower segment are presented under this segment.

Solar Power

The Group operates three owned operational Solar power plants with a total capacity of 14 MW in the areas of Siyambalanduwa, Mahiyanganaya and Ampara. The operational results of these solar power plants are presented under this segment.

Engineering & Consultation

Resus Engineering (Pvt) Ltd, a fully owned subsidiary of Resus Energy PLC, provides construction and engineering services for hydro and solar power plant projects. During the year under review, the company entered into an agreement with RDA and has been providing services related to the construction of buiddings and roads in kandy .

Profit/(loss) for the period	Hydro Power		Solar Power	
	2026	2025	2026	2025
Revenue	605,031,609	829,031,095	323,775,264	279,580,870
Operating Profit	363,101,234	554,788,889	217,829,695	204,556,639
Depreciation & Amortization	(75,627,622)	(76,992,709)	(69,389,276)	(46,956,317)
Finance Income	8,604,310	4,674,286	886,231	124
Finance Cost	(330,650,692)	(284,940,734)	(77,805,066)	(110,099,149)
Profit before tax	41,054,853	274,522,442	140,910,860	94,457,614
Income Tax Expense / (Reversal)	(42,268,159)	(137,827,544)	13,265,168	(16,594,423)
Profit/(Loss) for the year	(1,213,306)	136,694,898	154,176,028	77,863,191
Assets & Liabilities	Hydro Power		Solar Power	
	2026	2025	2026	2025
Total Current Assets	1,599,586,180	1,089,680,390	103,707,273	127,501,955
Total Non Current Assets	3,623,053,642	3,204,289,806	3,295,666,389	2,833,352,571
Total Assets	5,222,639,821	4,293,970,196	3,399,373,661	2,960,854,526
Total Current Liabilities	2,029,185,444	1,664,710,414	605,346,138	419,972,712
Total Non Current Liabilities	2,842,559,434	1,873,882,628	594,369,438	827,587,460
Total Liabilities	4,871,744,879	3,538,593,042	1,199,715,575	1,247,560,173

Engineering & Consultation		Eliminations/ Adjustments		Total	
2026	2025	2026	2025	2026	2025
81,503,105	132,705,639	-	-	1,010,309,979	1,241,317,604
5,643,197	589,238	-	-	586,574,127	759,934,766
84,168	(13,599)	-	-	146,843,661	(123,962,626)
83,272	-	-	-	9,573,814	4,674,410
-	-	-	-	(408,455,758)	(395,039,883)
5,726,469	589,238	-	-	187,692,182	369,569,293
(1,711,529)	(176,771)	-	-	(30,714,520)	(154,598,738)
4,014,940	412,466	-	-	156,977,662	214,970,555

Engineering & Consultation		Eliminations/ Adjustments		Total	
2026	2025	2026	2025	2026	2025
58,466,965	67,616,676	(511,413,907)	(692,254,577)	1,250,346,510	592,544,444
429,933	149,601	(487,090,840)	(6,430,019)	6,432,059,123	6,031,361,959
58,896,898	67,766,277	(998,504,747)	(698,684,596)	7,682,405,634	6,623,906,404
40,868,858	60,882,420	(508,783,002)	(694,009,904)	2,166,617,438	1,451,555,642
75,641	-	(489,721,745)	(1,461,275)	2,947,282,768	2,700,008,813
40,944,499	60,882,420	(998,504,747)	(695,471,179)	5,113,900,204	4,151,564,456

FIVE YEAR SUMMARY

For the Year Ended 31st March	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
A) Summary of operations					
Revenue	1,010,309,979	1,241,317,605	1,119,149,899	995,785,462	837,908,620
Gross profit	671,859,576	858,651,276	879,716,883	805,065,439	689,066,643
Profit from operating activities	586,574,127	759,934,766	800,515,051	762,212,048	623,753,557
Profit/(Loss) before taxation	187,692,183	369,569,293	264,927,844	190,657,086	444,181,634
Tax (expense)/Reversal	(30,714,520)	(154,598,738)	108,954,661	222,611,659	29,073,774
Profit/(Loss) after tax from continuing operations	156,977,663	214,970,555	373,882,505	413,268,745	473,255,408
Profit/(Loss) after tax from discontinued operation	-	-	-	-	-
Profit/(Loss) after tax	156,977,663	214,970,555	373,882,505	413,268,745	473,255,408
Profit attributable to equity holders of the parent	156,977,663	214,970,555	373,882,505	413,268,745	473,255,408
Profit attributable to non-controlling interest	-	-	-	-	-
	156,977,663	214,970,555	373,882,505	413,268,745	473,255,408
B) Summary of financial position					
Capital and Reserves					
Stated capital	967,483,260	967,483,260	967,483,260	967,483,260	773,891,366
Other components of equity	6,949,461	6,949,461	6,949,461	6,949,462	6,949,461
Retained Earnings	1,594,072,707	1,497,909,229	1,371,205,904	1,106,708,051	928,104,580
Equity attributable to equity holders of the parent	2,568,505,428	2,472,341,950	2,345,638,625	2,081,140,773	1,708,945,407
Non-controlling interest	-	-	-	-	-
Total equity	2,568,505,428	2,472,341,950	2,345,638,625	2,081,140,773	1,708,945,407
Liabilities					
Non-current liabilities	2,947,282,767	2,700,008,813	2,528,786,203	2,264,298,603	2,734,269,070
Current liabilities	2,166,617,438	1,451,555,642	1,347,730,843	1,922,465,466	910,131,750
Total liabilities	5,113,900,206	4,151,564,455	3,876,517,046	4,186,764,069	3,644,400,820
Total Equity and Liabilities	7,682,405,634	6,623,906,405	6,222,155,671	6,267,904,842	5,353,346,227
Assets					
Property, plant and equipment	5,631,727,509	5,232,787,652	4,729,906,298	4,397,870,394	4,250,444,706
Other non-current assets	800,331,614	798,574,308	846,785,037	637,953,841	312,353,588
Financial investments - Available-for-sale	-	-	-	-	-
Current assets	1,250,346,510	592,544,445	645,464,337	1,232,080,606	790,547,930
Total Assets	7,682,405,633	6,623,906,405	6,222,155,672	6,267,904,841	5,353,346,224
C) Key Indicators					
Earnings/(Loss) per share					
From profit/(loss) for the Year (Rs)	0.36	0.50	4.34	4.80	5.99
From continuing operations (Rs)	0.36	0.50	4.34	4.80	5.99
Net profit/(loss) margin (%)	15.5%	17.3%	33.4%	41.5%	56.5%
Net assets per share (Rs)	5.96	28.69	27.22	24.15	21.62
Dividend per Share (Rs)	0.15	1.00	1.25	3.00	-
Dividend payout (%)	41.2%	200.5%	28.8%	62.6%	0.0%
Dividend cover (Times)	2.43	0.50	3.47	1.60	-
Interest cover (Times)	1.47	1.95	1.49	1.33	3.47
Current ratio (Times)	0.58	0.37	0.48	0.64	0.90
Gearing (%)	64.4%	59.3%	59.6%	65.1%	65.7%
Return on equity (%)	6.2%	8.9%	16.9%	21.8%	32.2%

INVESTOR INFORMATION

Twenty Major Shareholders

		2026		2025
		No. of Shares	%	No. of Shares
1	Trydan Partners (Pvt) Ltd	140,210,730	32.54	28,042,146
2	ACL Cables PLC	140,165,505	32.53	28,033,101
3	Brantel Lanka Pvt Ltd	43,101,925	10.00	3,818,242
4	Peoples leasing & Finance PLC/Sadaharitha Capital Trust Ltd	6,400,000	1.49	2,984,658
5	Employees Trust Fund	6,264,488	1.45	2,314,394
6	Deutsche Bank - AG National Equity Fund	5,871,900	1.36	1,149,360
7	M D K Perera	4,945,000	1.15	1,000,000
8	Kalin Holding Pvt Ltd	2,036,350	0.47	999,998
9	Miss. S. Durga Sithampalam	2,018,525	0.47	500,000
10	DFCC Bank / P. Pranavan	2,000,000	0.46	500,000
11	A E T Fernando	1,630,000	0.38	500,000
12	Yaden Capital Pvt Ltd	1,400,000	0.32	454,880
13	ACE Power Generation Matara (Pvt) Ltd	1,363,732	0.32	403,705
14	Mr.S.Krishantha	1,318,000	0.31	304,260
15	Gulf East Finance Ltd	1,050,000	0.24	283,540
16	F H T C.Silva	1,042,385	0.24	275,226
17	D.C.R. Botheju	1,000,000	0.23	257,782
18	Seylan Bank/Wethinge Jinadasa	1,000,000	0.23	255,000
19	D Ramachandran	974,810	0.23	254,971
20	D.T Beruwalage	943,125	0.22	243,431
		364,736,475	84.64	
		66,187,660	15.36	
		430,924,135	100.00	

Analysis of shareholders according to the number of shares as at 31st March 2026

Shareholdings	Resident			Non Resident			Total		
	No. of Shareholders	No. of Shares	Percentage (%)	No. of Shareholders	No. of Shares	Percentage (%)	No. of Shareholders	No. of Shares	Percentage (%)
1 to 1,000 shares	1,443	526,494	0.12	3	1,383	0.00	1,446	527,877	0.12
1001 to 10,000 shares	1,656	7,253,467	1.68	5	21,320	0.00	1,661	7,274,787	1.69
10,001 to 100,000 shares	713	21,675,150	5.03	3	167,245	0.04	716	21,842,395	5.07
100,001 to 1,000,000 shares	132	39,032,177	9.06	5	1,428,359	0.33	137	40,460,536	9.39
over 1,000,000 shares	16	359,768,540	83.49	1.00	1,050,000.00	0.24	17	360,818,540	83.73
	3,960	428,255,828	99.38	17	2,668,307	0.62	3,977	430,924,135	100.00

Categories of Shareholders

	No of Shareholders	No of Shares
Individual	3,834	65,801,279
Institutional	143	365,122,856
Total	3,977	430,924,135

INVESTOR INFORMATION

Computation of % of Public Shareholding

As at 31st March	2026 No. of Shares	2025 No. of Shares
Over 10% Holding		
Trydan Partners (Pvt) Ltd	140,210,730	28,042,146
ACL Cables PLC	140,165,505	28,033,101
	280,376,235	56,075,247
Directors' Direct Shareholding		
H A S Madanayake (Non-Executive Chairman)	-	-
G A K Nanayakkara (Managing Director)	826,595	165,319
Prof. N D Gunawardena (Independent Non-Executive Director)	-	-
Prof. K M A K Ranasinghe (Resigned)	735	147
U P Egalahewa (Non-Independent Non-Executive Director)	-	-
K P P M Amarasiri (Non-Executive Director)	-	-
D.C.Abeywardena (Independent Non-Executive Director)	209,405	41,881
	1,036,735	207,347
Directors' Indirect Shareholding		
H A S Madanayake (Non-Executive Chairman)	-	-
G A K Nanayakkara (Managing Director)	8,702	8,702
Prof. N D Gunawardena (Independent Non-Executive Director)	-	-
Prof. K A M K Ranasinghe (Resigned)	-	-
U P Egalahewa (Non-Independent Non-Executive Director)	-	-
K P P M Amarasiri (Non-Executive Director)	-	-
D.C.Abeywardena (Independent Non-Executive Director)	-	-
	8,702	8,702
Issued Ordinary Shares as at 31st March	430,924,135	86,184,827
Less		
Over 10% Shareholding	280,376,235	56,075,247
Directors' direct and indirect Shareholding	1,045,437	216,049
Public Holding	149,502,463	29,893,531
Public Holding as a % of Issued Share Capital	34.69%	34.69%

Share Trading Information

As at 31st March	2026 No. of Shares	2025 No. of Shares
Market Price		
Highest (Rs.)	12.00	32.50
Lowest (Rs.)	8.80	17.50
As at Year ended (Rs.)	9.50	26.50
No. of Trades	16,672	10,906
No. of Shares Traded	73,691,017	48,841,045
Value of Shares Traded (Rs.)	1,644,845,867	1,255,799,954
Market Capitalisation (Rs.)	4,093,779,283	2,283,897,916
Price Earnings Ratio (Times)	22.71	53.12
Percentage of Public Holding as at 31st March	34.69%	34.69%
Total Number of shareholders representing the public holding	3,970	3,002
Float-adjusted market capitalisation	224,980,435	792,284,187

The Company complies with option 5 of the Listing Rules 7.13.1 (a) - Less than Rs. 2.5 Bn Float Adjusted Market Capitalisation which requires 20% minimum Public Holding.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

'IN ACCORDANCE' – CORE REPORTING PERIOD: 01 APRIL 2025 TO 31 MARCH 2026

Statement of Use	Resus Energy PLC - Reporting Period 01 April 2025 to 31 March 2026
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Renewable Power Generation

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2:General Disclosures 2021	2-1 Organizational details	Inner back cover			
	2-2 Entities included in the organization's sustainability reporting	6			
	2-3 Reporting period, frequency and contact point	2			
	2-4 Restatements of information	2			
	2-5 External assurance	157-159			
	2-6 Activities, value chain and other business relationships	7			
	2-7 Employees	68-69			
	2-8 Workers who are not employees	70			
	2-9 Governance structure and composition	105-106, 108			
	2-10 Nomination and selection of the highest governance body	106			
	2-11 Chair of the highest governance body	107			
	2-12 Role of the highest governance body in overseeing the management of impact	108, 142			
	2-13 Delegation of responsibility for managing impacts	108, 142			
	2-14 Role of the highest governance body in sustainability reporting	104			
	2-15 Conflicts of interest	109			
	2-16 Communication of critical concerns	109			
	2-17 Collective knowledge of the highest governance body	106			
	2-18 Evaluation of the performance of the highest governance body	109			
	2-19 Remuneration policies	109			
	2-20 Process to determine remuneration	109			
	2-21 Annual total compensation ratio		2-21	Confidential information	Does not disclose due to the confidentiality of information.

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-22 Statement of sustainable development strategy	46, 104			
	2-23 Policy commitments	105, 133			
	2-24 Embedding policy commitments	105, 133			
	2-25 Process to remediate negative impacts	142			
	2-26 Mechanisms for seeking advice and raising concerns	105			
	2-27 Compliance with laws and regulations	103			
	2-28 Membership associations	Inner back cover			
	2-29 Approach to stakeholder engagement	42-44			
	2-30 collective bargaining agreements	45			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	45			
	3-2 List of material topics	45			
	3-3 Management of material topics	45			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	45			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7, 41, 53			
	201-2 Financial implications and other risks and opportunities due to climate change	81, 90			
	201-3 Defined benefit plan obligations and other retirement plans	179-180, 202			
	201-4 Financial assistance received from government	60			
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	65			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and service supported	65			
	203-2 Significant indirect economic impacts	65			

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	64			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	66			
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	66			
	205-2 Communication and training about anti-corruption policies and procedures	66			
	205-3 Confirmed incidents of corruption and actions taken	66			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	61, 66			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 207: Tax 2019	207-1 Approach to tax	61			
	207-2 Tax governance, control, and risk management	61			
	"207-3 Stakeholder engagement and management of concerns related to tax"	61			
	207-4 Country-by-country reporting		207-4	Not Applicable	Not Applicable for Entity's operations.
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	85			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	85			

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
	301-2 Recycled input materials used		301-2	Not Applicable	Not Applicable for Entity's operations.
	301-3 Reclaimed products and their packaging materials		301-3	Not Applicable	Not Applicable for Entity's operations.
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	84			
GRI 301: Energy 2016	302-1 Energy consumption within the organization	84			
	302-2 Energy consumption outside of the organization		302-2	Not Applicable	Not Applicable for Entity's operations.
	302-3 Energy intensity		302-3	Not Applicable	Not Applicable for Entity's operations.
	302-4 Reduction of energy consumption	84			
	302-5 Reductions in energy requirements of products and services	84			
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 303: Water and Effluents 2018	303-1 Water withdrawal by source	83 - 84			
	303-2 Water sources significantly affected by withdrawal of water	84			
	303-3 Water recycled and reused	84			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	89			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	89			

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
	304-2 Significant impacts of activities, products and services on biodiversity	89			
	304-3 Habitats protected or restored	89			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	89			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	87			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	87			
	305-2 Energy indirect (Scope 2) GHG emissions	87			
	305-3 Other indirect (Scope 3) GHG emissions	87			
	305-5 Reduction of GHG emissions	88			
	305-6 Emissions of ozone-depleting substances (ODS)	87			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	87			
Effluents & Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	86			
GRI 306: Waste 2020	306-1 Water discharge by quality and destination	86-87			
	306-2 Waste by type and disposal method	86-87			
Environmental Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	89			
GRI 307: Environmental Compliance 2016	307-1 Non-Compliance with environmental laws and regulations	89			
Supplier Environmental Assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	64			

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
	308-2 Negative environmental impacts in the supply chain and actions taken	64, 66			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	69			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	69 - 70			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	69 - 70			
	401-3 Parental leave	69 - 70			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	73			
GRI 403: Occupational Health and Safety 2018	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	75			
Training and Education					
GRI 3: Material Topics 2021	3-3 Management of material topics	72			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	72			
	404-2 Programs for upgrading employee skills and transition assistance programs	71, 72			
	404-3 Percentage of employees receiving regular performance and career development reviews	71			
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	68			

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	76			
Freedom of Association and Collective Bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		407-7	Not Applicable	Not Applicable for Entity’s operations.
Child Labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	66			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	64, 66			
Forced or Compulsory Labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	64			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	64, 66			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	65			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	65			
	413-2 Operations with significant actual and potential negative impacts on local communities	65, 67			

GRI Standard / Other Source	Disclosure	Location (Page reference)	Omission		
			Requirement(s) omitted	Reason	Explanation
Supplier Social Assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	57			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	64			
	414-2 Negative social impacts in the supply chain and actions taken	64			
Customer Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	66			
Customer Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	66			
Socioeconomic Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	60			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	66			

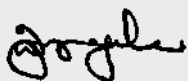
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty Third Annual General Meeting of RESUS Energy PLC will be held on Thursday the 24th of September 2026 at 04.00 p.m. at Ground Floor auditorium of the Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 for the following purposes: -

AGENDA

1. To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2026, together with the report of the Auditors thereon.
2. To re-elect Mr. H.A.S. Madanayake, Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.
3. To re-elect Mr. U.P. Egalahewa, Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.
4. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine and make donations to Charity for the financial year 2026/2027.

By order of the Board of
RESUS Energy PLC



Nexia Corporate Consultants (Pvt) Ltd
Secretaries

Colombo, Sri Lanka
31st August 2026.

Note:

A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote in his/her place.

A Proxy need not be a Member of the Company.

A Form of Proxy accompanies this Notice

The instrument appointing a proxy must be deposited at the Registered Office, No. 250/1, Torrington Avenue, Colombo 7, not less than forty-eight hours before the time fixed for the meeting. The form of proxy could be emailed to manohara@resusenergy.lk

FORM OF PROXY

I/We
of
being a Member/s of RESUS ENERGY PLC do hereby appoint
.....of
.....or failing him/her

- Mr. H. A. S. Madanayake

or failing him
- Mr. G. A. K. Nanayakkara

or failing him
- Mr. U. P. Egalahewa PC

or failing him
- Ms. D.C. Abeywardena

or failing him
- Professor N.D. Gunawardena

or failing him
- Mr. K.P.P.M. Amarasiri

as my/our Proxy to vote and speak for *me/us on *my/our behalf at the Twenty Third Annual General Meeting of RESUS Energy PLC to be held at 04.00 p.m. on 24th September 2026 at Ground Floor auditorium of the Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02.

	For	Against
1. To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2026, together with the Reports of the Auditors thereon.	☐	☐
2. To re-elect Mr. H.A.S. Madanayake, Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.	☐	☐
3. To re-elect Mr. U.P. Egalahewa, Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.	☐	☐
4. To re-appoint Messrs Ernst & Young, Chartered Accountants, as Auditors of the Company and to authorize the Directors to determine their remuneration.	☐	☐

.....
Signature of the shareholder/s

.....
NIC/Passport No.

Dated this day of 2026.

Note:

1. Please delete the inappropriate words.
2. Instructions as to completion are given below.

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your name in full, address and by signing in the space provided. Please fill in the date of signature.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.
3. Please indicate with a 'X' in the spaces provided how your proxy is to vote on each resolution. If no indication is given the proxy in his/her discretion will vote as he/she thinks fit.
4. In the case of Corporate Members, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
5. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy.
6. The completed Form of Proxy should be addressed to the Secretaries and deposited at the Registered Office of the Company at No. 250/1, Torrington Avenue, Colombo 7 not less than Forty Eight (48) hours before the time appointed for the meeting. The form of proxy could be emailed to *manohara@resusenergy.lk*

CORPORATE INFORMATION GRI 2-1

NAME OF THE COMPANY

Resus Energy PLC

LEGAL FORM

Quoted Public Company with limited liability, the ordinary shares of the Company were listed on the Colombo Stock Exchange on 8th October 2009

DATE OF INCORPORATION

11 June 2003

DATE OF RE-REGISTRATION UNDER THE COMPANIES ACT NO 7 OF 2007

11 September 2007

COMPANY REGISTRATION NUMBER

PV 415 PB PQ

ACCOUNTING YEAR END

31 March

REGISTERED OFFICE

No, 250/1, Torrington Avenue, Colombo 7, Sri Lanka.

Telephone: +94-11-7731731.

Facsimile: +94-11-7731555

TAXPAYER IDENTIFICATION NUMBER (TIN)

114340405

DIRECTORS

Mr. H A S Madanayake
Non-Executive Chairman

Mr. G A K Nanayakkara
Managing Director

Ms. D C Abeywardena
Independent Non-Executive Director

Professor N D Gunawardena
Independent Non-Executive Director

Mr. U P Egalahewa PC
Non-Executive Director

Mr. K P P M Amarasiri
Non-Executive Director

AUDIT AND RISK COMMITTEE

Ms. D C Abeywardena
Chairperson

Professor N D Gunawardena
Mr. U P Egalahewa PC

REMUNERATION COMMITTEE

Ms. D C Abeywardena
Chairperson

Mr. U P Egalahewa PC
Professor N D Gunawardena
Mr. H A S Madanayake

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Prof N D Gunawardena
Chairperson

Mr. U P Egalahewa PC
Mr. G A K Nanayakkara
Ms. D.C. Abeywardena

NOMINATIONS AND GOVERNANCE COMMITTEE

Ms. D C Abeywardena
Chairperson

Mr. U P Egalahewa PC
Mr. H A S Madanayake
Professor N D Gunawardena

COMPANY SECRETARIES

Nexia Corporate Consultants (Pvt) Limited No, 181, Nawala Road, Narahenpita, Colombo 5, Sri Lanka,

Tel: +94-11-2368154

Fax: +94-11-2368621

COMPANY REGISTRARS

S S P Corporate Services (Pvt) Limited
No, 101, Inner Flower Road, Colombo 3,
Sri Lanka,

Tel: +94-11-2573894

AUDITORS

Ernst & Young Chartered Accountants
No, 09, Rotunda Towers, Galle Road,
Colombo 03.

BANKERS

Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Pan Asia Banking Corporation
Seylan Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
National Development Bank PLC

MEMBERSHIPS OF ASSOCIATES

GRI 2-28

Small Hydro Power Developers' Association
Federation of Renewable Energy Developers
Grid Connected Solar Power Association

INVESTOR RELATIONS

RESUS Energy PLC No, 250/1,
Torrington Avenue, Colombo 7,
Sri Lanka,

Telephone: +94-11-7731731

Facsimile: +94-11-7731555

This Annual Report is conceptualised, designed and produced by Redworks.



