Balephi Hydropower Ltd.

Durbarmarg-1, Kathmandu

Unaudited Financial Statement for the 1st Quarter

As on Ashwin 31, 2083 (17 October 2026)

Amount in NRs.

Statement of Financial Position	As at Ashwin 31, 2083 (Current Quarter)	As at Ashad 32, 2083 (Previous Quarter)	As at Ashwin 31, 2082 (Previous year)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment,(Net)	54,283,511	66,344,496	14,445,366
Intangible Assets (Hydropower Project Assets)	7,544,637,913	7,600,439,659	7,866,591,271
Intangible Assets under Development	768,900,120	741,052,619	381,767,209
Other financial assets	10,160,000	160,000	-
Total Non-Current Assets	**8,377,981,544**	**8,407,996,774**	**8,262,803,846**
Current Assets			
Inventories	12,392,667	17,619,868	-
Cash & Cash Equivalents	1,678,914	727,878	30,049,031
Trade Receivables	241,577,620	237,435,254	227,907,969
Advances & Deposits	159,408,432	139,445,996	136,274,633
Total Current Assets	**415,057,633**	**395,228,996**	**394,231,633**
Total Assets	**8,793,039,177**	**8,803,225,770**	**8,657,035,479**
Equity & Liabilities			
Equity			
Share Capital	3,655,940,000	3,655,940,000	3,655,940,000
Reserve & Surplus	(535,217,601)	(686,410,809)	(803,747,212)
Total Equity	**3,120,722,399**	**2,969,529,191**	**2,852,192,788**
Non Current Liabilities			
Long Term Borrowings	5,280,000,000	5,379,290,000	5,601,973,500
Other Non-current Liabilities	254,123,219	234,615,256	158,112,042
Total Non Current Liabilities	**5,534,123,219**	**5,613,905,256**	**5,760,085,542**
Current Liabilities			
Sundry Creditors	6,967,950	104,002,859	10,258,696
Short Term Borrowings	120,553,801	107,601,763	34,220,188
Other Payables	10,671,808	8,186,701	278,265
Total Current Liabilities	**138,193,559**	**219,791,323**	**44,757,149**
Total Equity & Liabilities	**8,793,039,177**	**8,803,225,770**	**8,657,035,479**

Income Statement for the Period ended 31 Ashwin, 2083 (17 October, 2026)

Particulars	As at Ashwin 31, 2083 (Current Quarter)	As at Ashad 32, 2083 (Previous Quarter)	As at Ashwin 31, 2082 (Previous Year)
Revenue From Power Sales	362,931,614	1,153,198,486	347,858,379
Cost of Sales	(19,003,422)	(103,070,258)	(23,867,288)
Gross Profit	**343,928,192**	**1,050,128,228**	**323,991,091**
Other Income	2,303,657	93,828,784	33,185,749
Administrative Expenses	(13,530,684)	(91,884,251)	(13,685,358)
Repair & Maintanance	-	-	-
Profit Before Interest & Depreciation	**332,701,165**	**1,052,072,761**	**343,491,483**
Finance Cost	(85,713,678)	(404,081,736)	(119,105,825)
Depreciation and Amortisation	(90,205,171)	(308,387,221)	(78,533,585)
Profit/(Loss) Before Staff Bonus and Tax	**156,782,316**	**339,603,804**	**145,852,073**
Provision for Staff Bonus	-	(6,792,076)	-
Profit / (Loss) Tax	156,782,316	332,811,728	145,852,073
Income Taxes	(11,020,880)	(50,497,041)	(21,376,715)
Profit / (Loss) After Tax	**145,761,436**	**282,314,687**	**124,475,358**

First Quarter Disclosure as of 31 Ashwin 2083 (17 October 2026) as per securities registration and issuance regulation Annexure-14 (related to Sub regulation I of Regulation 26)

1. Financial Statement

- The financial statement for the first quarter has been published as a part of this report.
- Annualized earning per share for current year is 15.95, P/E ratio 56.62, net worth per share is 85.36 and total assets per share is 240.51.
- Previous quarter figures has been changed and re-grouped to reflect the changes made by the audited financials of FY ending on 2082.83.

2. Management Analysis

Any change in the stock, income and liquidity during the quarter and reason for change, if any:

- During the quarter, the Company generated total revenue of NPR 36,29,31,614, of which NPR 71,23,545 pertains to invoices raised by the Company in respect of non-dispatch energy exceeding 72 hours, as notified by the Nepal Electricity Authority (NEA).
- Sufficient stock levels are maintained to support the normal and efficient operation of the plant, and there are no exceptional changes.
- Civil structures upgradation works are currently in progress and near completion. All the costs related to these upgradation have been capitalized under "Intangible Assets under Development." Upon completion, these improvements are expected to enhance generation capacity, resulting in higher revenue and improved profitability.
- Provision for staff bonuses and Corporate Social Responsibility (CSR) expenses has not been recognized during this quarter.

3. Legal Processing

During this quarter, arbitration proceedings initiated by Urja International Pvt. Ltd. against the Company concerning a disputed amount related to the construction of the 132 kV transmission line were concluded, with the Nepal Arbitration Council (NEPCA) issuing an award partially in favour of Urja International Pvt. Ltd. on 7 August 2026. Considering the award as an adjusting event, the Company has recognized the corresponding amount in the relevant ledgers in its annual financial statements only.

4. Share Transaction of the Company

During the quarter share of the company has been actively traded under script name "BHL". Share prices has been determined by the open market operation.

Maximum Price	Minimum Price	Closing Price	Transaction Days	Total Transaction	Turnover
229.80	195.00	225.70	61	24,413	1,647,904,800.10

5. Problems and Challenges

- **Internal Challenges**
  - Retention challenges and shortage of skilled human resources.
  - Frequent wear and tear of critical plant components.
- **External Challenges**
  - Frequent erosion and structural damage caused by floods and high sediment loads.
  - Unavailability of domestic suppliers and vendors for hydropower equipment and spare parts.
  - Lengthy approval and clearance process involving multiple government agencies.
  - Increasing pressure from local communities with demands for employment, contracts, and CSR support.
  - Non-Dispatch instructions and forced outrage issued by NEA
  - Rising construction costs due to rise in fuel prices.

6. Corporate Governance

The Board of Directors and the management team is determined to practice good corporate governance.

7. Declaration

I, the chairman of this company take responsibility for the accuracy of the information and details mentioned in this report for the period up to the first quarter of F.Y. 2083/84. I, hereby declare that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge and the information necessary for taking informed decision by the investors are not concealed.