Butwal Power Company Limited
Buddha Nagar, Kathmandu, Nepal

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER, FISCAL YEAR 2083/84 ENDED 31ST ASHWIN 2083 (OCTOBER 17, 2026)

Figures in NPR'000

Statement Of Financial Position	This Quarter Ending Ashwin end 2083	Previous Quarter Ending Ashadh end 2083	Corresponding Previous Year Quarter Ending Ashwin end 2082
ASSETS			
Non-Current Assets			
Property, plant and equipment	289,910	295,727	244,660
Capital work-in-progress	409	13,307	1,658
Intangible assets	1,678,083	1,658,113	1,723,504
Project work-in-progress	444,662	430,628	387,049
Financial assets	4,706,058	4,348,907	5,389,508
Other non-current assets	-	-	-
Total Non-Current Assets	**7,119,122**	**6,746,682**	**7,746,379**
Current Assets			
Inventories	54,089	86,001	53,110
Trade receivables	98,871	93,651	132,549
Cash and cash equivalents	469,989	731,224	110,591
Other Financial assets	180,725	180,220	282,655
Other current assets	14,223	16,618	11,155
Current tax assets (net)	-	16,657	-
Total Current Assets	**817,897**	**1,124,371**	**590,060**
Total Assets	**7,937,019**	**7,871,053**	**8,336,439**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,409,065	3,409,065	3,409,065
Other equity	3,854,085	3,779,562	3,764,547
Total Equity	**7,263,150**	**7,188,627**	**7,173,612**
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	203,857	208,056	157,313
Financial liabilities	30,904	34,654	45,909
Provisions	81,622	77,758	198,387
Deferred tax	176,966	185,928	166,601
Other non-current liabilities	16,652	16,652	17,573
Total Non-Current Liabilities	**510,001**	**523,048**	**585,783**
Current Liabilities			
Trade payables	6,609	22,983	5,748
Other Financial liabilities	54,874	44,595	480,162
Provisions	3,034	2,412	2,467
Other current liabilities	94,074	89,388	79,937
Current tax liabilities (net)	5,277	-	8,730
Total Current Liabilities	**163,868**	**159,378**	**577,044**
Total Liabilities	**673,869**	**682,426**	**1,162,827**
Total Equity and Liabilities	**7,937,019**	**7,871,053**	**8,336,439**

Figures in NPR'000

Statement of Profit or Loss and other Comprehensive Income	This Quarter Ending Ashwin end 2083	Previous Quarter Ending Ashadh end 2083	Corresponding Previous Year Quarter Ending Ashwin end 2082
Revenue	244,110	801,615	241,214
Cost of Sales			
Generation Expenses	(76,998)	(284,721)	(66,858)
Distribution Expenses	(44,675)	(157,035)	(39,906)
Gross profit	**122,437**	**359,859**	**134,450**
Depreciation Being Revenue Portion of Grant Aid	4,177	7,901	2,013
Other income	9,590	214,617	8,945
Administrative and other operating expenses	(33,604)	(160,381)	(30,396)
Profit from Operation	**102,600**	**421,996**	**115,012**
Finance Income	434	5,866	225
Finance Costs	(699)	(13,473)	(8,831)
Profit Before Tax	**102,335**	**414,389**	**106,406**
Income Tax Expense	(20,040)	(78,947)	(21,604)
Current tax	(20,859)	(48,284)	(21,625)
Deferred tax credit/charge	819	(30,663)	21
Profit for the year	**82,295**	**335,442**	**84,802**
Other comprehensive gain/(loss) for the year, net of tax	(2,005)	(23,802)	7,286
Total Comprehensive gain/(loss) for the year, net of tax	**80,290**	**311,640**	**92,088**

FIRST QUARTER DISCLOSURE AS OF 31ST ASHWIN 2083 (17TH OCTOBER 2026) AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE -14 (Related to Sub Regulation 1 of Regulation 26)

1 FINANCIAL STATEMENTS

- The financial statements for the first quarter have been published as a part of this report.
- **Transactions with related parties:** Business transactions were conducted with related parties at arm's length in line with section 93 (3.c) of the Company Act. BPC purchased services of worth NPR 3,994,567 from Nepal Hydro & Electric Limited, NPR 296,906 from Mercantile Office System Pvt. Ltd. and advances provided to NPR 360,000,000 to Manang Marshyangdi Hydropower Company Pvt. Ltd. during the period of first quarter.
- **Key Financial Ratios at the end of the quarter;**

Period	Earning per Share (Quarterly)	Net worth per share	Current Ratio (Times)	P/E Ratio (Times)	Return on Assets
This year quarter end	Rs. 2.41	Rs. 213.05	4.99	270.12	1.04%
Previous quarter end	Rs. 9.84	Rs. 210.70	7.05	67.89	4.26%
Corresponding previous year quarter end	Rs. 2.49	Rs. 210.43	1.02	265.06	1.02%

2 MANAGEMENT ANALYSIS

- **Any changes in the stock, income and liquidity during the quarter and reason for change, if any :** Inventories have been kept sufficient for normal operation of power plants. Revenue from sale of electricity and services is increased by 1.20% to NPR 244.11 million compared to corresponding period last year. Finance income increased by 92.99% due to increase in deposits at Banks. Net profit for the period end of Ashwin 2083 is decreased by 2.96% in comparison to the corresponding period last year. Sufficient liquidity has been maintained even while the Company is making major investments in new projects.
- **The statement of management analysis on the upcoming business plan:** Nyadi Hydropower plant (NHP) has been in operation from Baisakh 2079 through a SPV Nyadi Hydropower Ltd (NHL) under contingency power evacuation resulting in only partial evacuation of generated energy during the wet season. However, the construction of the switching station at Upper Marsyangdi-A plant has been recently completed and NEA has agreed to evaculate power fully from NHP. BPC via a joint venture with international partners is undertaking 601 MW Marsyangdi Cascade Projects (MCPs) comprising 135 MW Manang Marsyangdi HEP (MMHEP), 139.2 MW Lower Manang Marsyangdi HEP (LMMHEP) and 327 MW Upper Marsyangdi-2 HEP (UM-2HEP) in the Marsyangdi basin. All three projects have completed detail engineering and secured approvals of EIA studies. The first project of MCPs, MMHEP is under construction with completion expected by the end of 2027. The Company is working with our international partners on financial closure and other preparation to start the construction of LMMHEP. DPR of the third project UM-2HEP has been prepared and approved by IBN. Construction of 7.9 MW Chino Khola Hydropower Project (CHP) developed by SPV Chino Hydropower Ltd, is ongoing through the EPC Contractor and the progress at the end of first quarter is over 40%.
- **The analytical statement on the possible effect on company's profitability, stock and cashflow based on the past experience:** The company maintained steady progress on improving profitability and is continuing to invest in the construction of new projects as per the strategic growth plan. Negotaitions are ongoing with NEA for transfer of 50% project assets of Himal Power Limited (HPL) to NEA and signing a new PPA.

3 STATEMENT RELATING TO LEGAL ACTION

- **Case filed by or against the Company during the quarter, if any:** None
- **Case filed by or against the Company or its Promoter or Director for violation of the prevailing regulation or committing the criminal offence, if any:** None
- **Case filed against the Promoter or Director on financial crime, if any:** None

4 ANALYSIS OF SHARE TRANSACTION OF THE COMPANY

- During first quarter, BPC shares were actively traded till the end of Ashwin 2083. Share prices are being determined by the open share market in NEPSE.
- The major highlights of share transactions during the quarter are as follows:

Maximum Price	Minimum Price	Closing Price	Transaction days	Total Transaction	Traded Volume	Turnover
706.4	625.5	651	61	7,496	1,721,450	1,139,088,917

5 PROBLEMS AND CHALLENGES

- **Internal**
  - Financial sustainability of the distribution business.
  - Optimal fund management and asset optimization for investment in large projects, especially the Marshyangdi Cascade Projects (MCPs).

External

- Lengthy bureaucratic processes in development of hydropower projects.
- Inadequate rules, regulations, policies, guidelines etc. to expedite project developments.
- Fluctuating cost of capital and foreign exchange fluctuation risk.
- Floods and low water flow risk in the rivers for hydropower plants/projects.
- Land acquisition and compensation challenges for ongoing projects.
- Inadequate transmission line networks and delays in its expansion for power evacuation of hydropower projects.

Strategies

- Optimal investment fund generation and management to support ambitious growth plans.
- Lobbying with government authorities for investment friendly environment and more speedy execution of projects.
- FDIs with Project Financing and PPA in foreign currency for large projects.
- Prudent risk management to minimize financial and operational risks.
- Stakeholder's engagement from planning stage of projects under development

6 CORPORATE GOVERNANCE

- The Company has regular meetings of Board of Directors and Board Committees viz Audit Committee, Risk Management Committee and Asset & Liability Committee in compliance with the Corporate Governance Guidelines, 2074 issued by the Securities Board of Nepal. The Management Team meeting are also being conducted regularly. The provisions of SEBON Corporate Guidelines has been fully complied.

7 DECLARATION OF CHIEF EXECUTIVE ON TRUTH, TACTFULNESS

- I, the Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the first quarter of FY 2083/84, 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 that information necessary for taking informed decision by the investors are not concealed.