

PHOENIX POWER COMPANY SAOG

**UNAUDITED
FINANCIAL STATEMENTS**

30 June 2024

PHOENIX POWER COMPANY SAOG

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Operating revenue	3	79,953	207,941	75,431	196,181
Operating costs	4	(61,786)	(160,689)	(56,936)	(148,080)
Operating Profit		18,167	47,252	18,495	48,101
General and administrative expenses	5	(773)	(2,012)	(710)	(1,845)
Finance costs	6	(5,479)	(14,250)	(6,375)	(16,579)
Finance Income		288	748	114	297
Profit before tax		12,203	31,738	11,524	29,974
Income tax	7	(1,849)	(4,809)	(1,376)	(3,578)
PROFIT FOR THE PERIOD		10,354	26,929	10,148	26,396
OTHER COMPREHENSIVE INCOME - /(EXPENSE) , NET OF TAX					
<i>Item that may be reclassified to profit and loss in subsequent periods:</i>					
Net movement in fair value of cash flow hedges		1,386	3,605	1,724	4,485
Income tax effect		(208)	(541)	(259)	(673)
OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD		1,178	3,064	1,465	3,812
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		11,532	29,993	11,613	30,208
BASIC EARNINGS PER SHARE (RO/US\$)		0.007	0.02	0.007	0.02

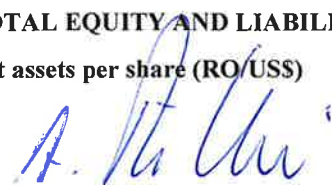
The attached notes 1 to 22 form part of these financial statements

PHOENIX POWER COMPANY SAOG

STATEMENT OF FINANCIAL POSITION

AT 30 June 2024

		30 June 2024	30 June 2024	31 December 2023	31 December 2023
	Notes	RO'000	US\$'000	RO'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	464,426	1,207,862	472,363	1,228,508
Right to use assets	9	7,502	19,511	7,638	19,866
Derivative financial instruments	15	4,862	12,644	300	779
		<u>476,790</u>	<u>1,240,017</u>	<u>480,301</u>	<u>1,249,153</u>
Current assets					
Trade and other receivables	10	23,374	60,793	8,751	22,759
Inventories	11	11,479	29,853	11,414	29,687
Bank balances	12	16,341	42,500	20,006	52,031
Derivative financial instruments	15	-	-	3,184	8,282
		<u>51,194</u>	<u>133,146</u>	<u>43,355</u>	<u>112,759</u>
TOTAL ASSETS		<u><u>527,984</u></u>	<u><u>1,373,163</u></u>	<u><u>523,656</u></u>	<u><u>1,361,912</u></u>
EQUITY AND LIABILITIES					
Equity					
Share capital	13(a)	146,260	380,390	146,260	380,390
Legal reserve	13(c)	17,225	44,799	17,225	44,799
Cumulative changes in fair values	15	(1,031)	(2,682)	(2,209)	(5,746)
Retained earnings		95,693	248,871	90,093	234,305
Total equity		<u>258,147</u>	<u>671,378</u>	<u>251,369</u>	<u>653,748</u>
Non-current liabilities					
Interest bearing loans and borrowings	14	130,513	339,439	148,198	385,431
Fair value of derivative financial instruments	15	6,075	15,799	4,821	12,540
Provision for asset retirement obligation	16	5,510	14,333	5,376	13,983
Deferred tax liability		46,172	120,082	45,790	119,090
Finance Lease liability	18	7,550	19,635	7,873	20,478
Employees' end of service benefits		43	113	38	99
		<u>195,863</u>	<u>509,401</u>	<u>212,096</u>	<u>551,621</u>
Current liabilities					
Interest bearing loans and borrowings	14	36,334	94,496	36,104	93,899
Dividend payable	13(b)	4,754	12,363	2,925	7,608
Accounts payable and accruals	17	32,357	84,150	19,371	50,380
Fair value of derivative financial instruments	15	-	-	1,262	3,281
Finance lease liabilities	18	529	1,375	529	1,375
		<u>73,974</u>	<u>192,384</u>	<u>60,191</u>	<u>156,543</u>
Total liabilities		<u>269,837</u>	<u>701,785</u>	<u>272,287</u>	<u>708,164</u>
TOTAL EQUITY AND LIABILITIES		<u><u>527,984</u></u>	<u><u>1,373,163</u></u>	<u><u>523,656</u></u>	<u><u>1,361,912</u></u>
Net assets per share (RO/US\$)		<u><u>0.176</u></u>	<u><u>0.459</u></u>	<u><u>0.172</u></u>	<u><u>0.447</u></u>



Director



Director

The attached notes 1 to 22 form part of these financial statements

PHOENIX POWER COMPANY SAOG

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Note	Share capital RO'000	Legal reserve RO'000	Cumulative changes in fair values RO'000	Retained earnings RO'000	Total RO'000
Balance at 1 January 2023		146,260	15,033	(2,036)	78,037	237,294
Net profit for the period		-	-	-	10,148	10,148
Other comprehensive income / (expense)		-	-	1,465	-	1,465
Total comprehensive income / (expense)		-	-	1,465	10,148	11,613
Dividend Paid		-	-	-	(4,754)	(4,754)
Balance at 30 June 2023		146,260	15,033	(571)	83,431	244,153
Balance at 1 January 2024		146,260	17,225	(2,209)	90,093	251,369
Net profit for the period		-	-	-	10,354	10,354
Other comprehensive income / (expense)		-	-	1,178	-	1,178
Total comprehensive income / (expense)		-	-	1,178	10,354	11,532
Dividend Payable		-	-	-	(4,754)	(4,754)
Balance at 30 June 2024		146,260	17,225	(1,031)	95,693	258,147

The attached notes 1 to 22 form part of these financial statements

PHOENIX POWER COMPANY SAOG

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Share capital US\$ '000	Legal Reserves US\$ '000	Cumulative changes in fair value US\$ '000	Net Profit /(Loss) US\$ '000	Total US\$ '000
Balance at 1 January 2023	380,390	39,098	(5,296)	202,961	617,153
Net profit for the period	-	-	-	26,396	26,396
<i>Other comprehensive income</i>	-	-	3,812	-	3,812
Total comprehensive income	-	-	3,812	26,396	30,208
Dividend Paid	-	-	-	(12,363)	(12,363)
Balance on 30 June 2023	380,390	39,098	(1,484)	216,994	634,998
Balance at 1 January 2024	380,390	44,799	(5,746)	234,305	653,748
Net profit for the period	-	-	-	26,929	26,929
<i>Other comprehensive income</i>	-	-	3,064	-	3,064
Total comprehensive income	-	-	3,064	26,929	29,993
Dividend Payable	-	-	-	(12,363)	(12,363)
Balance at 30 June 2024	380,390	44,799	(2,682)	248,871	671,378

The attached notes 1 to 22 form part of these financial statements

PHOENIX POWER COMPANY SAOG

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	<i>Notes</i>	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
OPERATING ACTIVITIES					
Profit before tax		12,203	31,738	11,524	29,974
Depreciation	8,9	8,073	21,001	8,061	20,965
Interest – term loans and swap settlements		4,827	12,555	5,620	14,617
Amortisation of deferred finance cost		269	699	320	831
Interest expense for lease liability		183	475	185	482
Asset retirement obligation - unwinding of discount		135	350	128	333
Accruals for employee's end of service benefits		5	14	-	(1)
		<u>25,695</u>	<u>66,832</u>	<u>25,838</u>	<u>67,201</u>
Working capital changes:					
Trade and other receivables		(14,624)	(38,034)	(13,373)	(34,784)
Accounts payable and accruals		11,671	30,351	7,560	19,664
Inventories		(64)	(166)	(17)	(43)
Cash generated from operating activities		<u>22,678</u>	<u>58,983</u>	<u>20,008</u>	<u>52,038</u>
Interest – term loans and swap settlements		(4,835)	(12,575)	(5,658)	(14,715)
Employees' end of service benefit paid		-	-	-	-
Tax Paid		(353)	(918)	-	-
Net cash generated from operating activities		<u>17,490</u>	<u>45,490</u>	<u>14,350</u>	<u>37,323</u>
INVESTING ACTIVITIES					
Additions to property, plant and equipment		-	-	(61)	(158)
Investment in short term deposits		7,306	19,000	-	-
Net cash used in investing activities		<u>7,306</u>	<u>19,000</u>	<u>(61)</u>	<u>(158)</u>
FINANCING ACTIVITIES					
Dividend paid		(2,925)	(7,608)	(3,044)	(7,917)
Repayment of interest bearing loans and borrowings		(17,723)	(46,094)	(16,800)	(43,694)
Working Capital Facility		-	-	9,800	25,488
Lease payment		(507)	(1,319)	(507)	(1,319)
Net cash (used in) in financing activities		<u>(21,155)</u>	<u>(55,021)</u>	<u>(10,551)</u>	<u>(27,442)</u>
INCREASE (USED IN) IN CASH AND CASH EQUIVALENTS		<u>3,641</u>	<u>9,469</u>	<u>3,738</u>	<u>9,723</u>
Cash and cash equivalents at the beginning of the period		12,700	33,031	20,259	52,688
CASH AND CASH EQUIVALENTS AT 30 June	12	<u>16,341</u>	<u>42,500</u>	<u>23,997</u>	<u>62,411</u>

The attached notes 1 to 22 form part of these financial statements.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

1 ACTIVITIES

Phoenix Power Company SAOG (“the Company”) is registered under the Commercial laws of the Sultanate of Oman as a Public Joint Stock Company and principal activities of the Company are to develop, finance, design, construct, operate, maintain, insure and own a power generating station and associated gas interconnection facilities and other relevant infrastructure.

The Company’s registered address is P O Box 96, Postal Code 102, Muscat, Sultanate of Oman. The Company’s principal place of business is located at Sur, Sultanate of Oman.

During the year 2015, Company proceeded with initial public offering (IPO). The promoting shareholders at the Company’s Extraordinary General Meeting held on 9 March 2015 approved the conversion of the Company from a Closed Joint Stock Company (SAOC) to a Public Joint Stock Company (SAOG) by offering their 511,910,511 shares for the public subscription. The Company closed its IPO on 8 June 2015 and its shares were listed on the Muscat Securities Market on 22 June 2015. The IPO proceeds and the related share issue expenses pertains to the promoting shareholders

The Company has entered into following significant agreements:

- i. Power Purchase Agreement (PPA) with Oman Power and Water Procurement Company SAOC (OPWP) granting the Company the right to generate electricity in Sur for a period of fifteen years commencing from the scheduled commercial operations date based on a tariff structure.
- ii. Natural Gas Sales Agreement (NGSA) with the Integrated Gas Company SAOC of the Government of the Sultanate of Oman (IGC) for the purchase of natural gas for fifteen years at a pre-determined price.
- iii. Usufruct Agreement with the Government of the Sultanate of Oman for grant of Usufruct rights over the plant site for Twenty Five years.
- iv. Agreement with local and international banks for long-term loan facilities and interest rate hedge arrangements.
- v. Agreement with Siemens LLC Oman for long term service contract for maintenance service of the gas turbines.
- vi. Agreement with Siemens Aktiengesellschaft for long term supply contract for supplying the spare parts of gas turbines.
- vii. Agreement with Phoenix Operation and Maintenance Company LLC for the operation and maintenance of the Sur IPP Project.
- viii. Agreement with Daewoo Engineering and Construction Co. Ltd for engineering, procurement and construction of the Sur IPP Project.
- ix. Project Founders’ Agreement dated 13 July 2011 made between Electricity Holding Company SAOC, Marubeni Corporation; Chubu Electric Power Co; Qatar Electricity and Water Company (Q.S.C.); and Multitech LLC.
- x. Shareholders’ Agreement dated 13 July 2011, amended and restated dated 28 November 2011 made between Axia Power Holdings B.V; Chubu Electric Power Sur B.V; Qatar Electricity and Water Company (Q.S.C.); and Multitech LLC.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and relevant requirements of the Commercial Companies Law of 1974, as amended, and the Capital Market Authority of the Sultanate of Oman.

Items included in the financial statements of the Company are measured and presented in US Dollars (US \$) being the currency of the primary economic environment in which the Company operates.

These financial statements are presented in US Dollars and Rial Omani (RO), rounded to the nearest thousand. The RO amounts shown in the financial statement have been translated using exchange rate of US \$ 1 = RO 0.3845 and are shown for the convenience of the reader.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of derivative financial instruments.

These financials includes audited figures for 31st December 2023. These financials includes unaudited figures for 30 June 2024 are unaudited.

2.2 Accounting policies

The significant accounting policies applied by the Company in these unaudited financial statements are consistent with those applied by the Company in its financial statements as of 31 December 2023.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

3 OPERATING REVENUE

	30 June 2024 RO'000	30 June 2024 US\$'000	30 June 2023 RO'000	30 June 2023 US\$'000
Capacity charges	33,845	88,023	33,691	87,624
Energy charges	46,108	119,918	41,740	108,557
	<u>79,953</u>	<u>207,941</u>	<u>75,431</u>	<u>196,181</u>

4 OPERATING COSTS

	30 June 2024 RO'000	30 June 2024 US\$'000	30 June 2023 RO'000	30 June 2023 US\$'000
Gas consumption	43,991	114,410	39,896	103,762
Depreciation (note 8-9)	8,056	20,952	8,056	20,952
Operation and maintenance cost	5,042	13,113	4,677	12,163
Contractual services maintenance cost	3,980	10,350	3,727	9,694
Insurance and other costs	678	1,763	536	1,394
Connection and license fee	39	101	44	115
	<u>61,786</u>	<u>160,689</u>	<u>56,936</u>	<u>148,080</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

5 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>30 June 2024 RO '000</i>	30 June 2024 US \$'000	30 June 2023 RO '000	30 June 2023 US \$'000
Staff costs and other benefits	373	970	376	978
Legal and professional charges	111	288	95	246
Office related expenses	6	16	20	51
Depreciation (note 8-9)	18	48	5	14
Other expenses	265	690	214	556
	<u>773</u>	<u>2,012</u>	<u>710</u>	<u>1,845</u>

6 FINANCE COSTS

	30 June 2024 RO'000	30 June 2024 US\$'000	30 June 2023 RO'000	30 June 2023 US\$'000
Interest and swap settlements	4,827	12,555	5,620	14,617
Amortisation of deferred finance cost	269	699	320	831
Asset retirement obligation - unwinding of discount	135	350	128	333
Interest expense for lease liability	183	475	185	482
Debt service commission	37	97	52	135
Exchange loss	28	74	70	181
	<u>5,479</u>	<u>14,250</u>	<u>6,375</u>	<u>16,579</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

7 INCOME TAX

Recognized in the income statement in the current year

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Income tax expense	<u>(1,849)</u>	<u>(4,809)</u>	<u>(1,376)</u>	<u>(3,578)</u>
	<u>(1,849)</u>	<u>(4,809)</u>	<u>(1,376)</u>	<u>(3,578)</u>

8 PROPERTY, PLANT AND EQUIPMENT

	Plant Building RO'000	Plant and Equipment RO'000	Strategic spares RO'000	Asset Retirement RO'000	Other Assets RO'000	Total RO'000
Cost						
At 1 January 2024	<u>83,876</u>	<u>518,087</u>	<u>10,809</u>	<u>3,249</u>	<u>296</u>	<u>616,317</u>
At 30 June 2024	<u>83,876</u>	<u>518,087</u>	<u>10,809</u>	<u>3,249</u>	<u>296</u>	<u>616,317</u>
Accumulated depreciation						
At 1 January 2024	18,992	117,312	6,531	896	223	143,954
Charge during the period	1,048	6,476	360	45	8	7,937
At 30 June 2024	<u>20,040</u>	<u>123,788</u>	<u>6,891</u>	<u>941</u>	<u>231</u>	<u>151,891</u>
Net book value						
At 30 June 2024	<u>63,836</u>	<u>394,299</u>	<u>3,918</u>	<u>2,308</u>	<u>65</u>	<u>464,426</u>
At 31 December 2023	<u>64,884</u>	<u>400,775</u>	<u>4,278</u>	<u>2,353</u>	<u>73</u>	<u>472,363</u>

PHOENIX POWER COMPANY SAOG

**NOTES TO THE FINANCIAL STATEMENTS
AT 30 JUNE 2024**

8 PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant building US\$'000	Plant and equipment US\$'000	Strategic spares US\$'000	Asset retirement US\$'000	Other assets US\$'000	Total US\$'000
Cost						
At 1 January 2024	218,142	1,347,432	28,113	8,450	761	1,602,898
At 30 June 2024	218,142	1,347,432	28,113	8,450	761	1,602,898
Accumulated depreciation						
At 1 January 2024	49,396	305,104	16,976	2,336	578	374,390
Charge during the period	2,726	16,843	937	118	22	20,646
At 30 June 2024	52,122	321,947	17,913	2,454	600	395,036
Net book value						
At 30 June 2024	166,020	1,025,485	10,200	5,996	161	1,207,862
At 31 December 2023	168,746	1,042,328	11,137	6,114	183	1,228,508

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

9 RIGHT TO USE ASSETS

	Land Lease RO '000	Connection Fee RO '000	PPC Office RO '000	Total RO '000
Cost				
Opening balance	1,814	6,995	102	8,911
Additions during the period	-	-	-	-
At 30 June 2024	1,814	6,995	102	8,911
Accumulated depreciation				
Opening balance	260	1001	12	1273
Charge during the period	26	100	10	136
At 30 June 2024	286	1,101	22	1,409
At 30 June 2024	1,528	5,894	80	7,502
At 31 December 2023	1,554	5994	90	7,638

9 RIGHT TO USE ASSETS

	Land Lease US\$'000	Connection Fee US\$'000	PPC Office US\$'000	Total US\$'000
Cost				
Opening balance	4,718	18,193	264	23,175
Additions during the period	-	-	-	-
At 30 June 2024	4,718	18,193	264	23,175
Accumulated depreciation				
Opening balance	675	2,603	31	3,309
Charge during the period	68	261	26	355
At 30 June 2024	743	2,864	57	3,664
Net book value				
At 30 June 2024	3,975	15,329	207	19,511
At 31 December 2023	4,043	15,590	233	19,866

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

10 TRADE AND OTHER RECEIVABLES

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Trade receivables	23,067	59,993	8,178	21,270
Other receivables	193	503	373	970
Prepayment	114	297	200	519
	<u>23,374</u>	<u>60,793</u>	<u>8,751</u>	<u>22,759</u>

11 INVENTORIES

Fuel inventory	5,551	14,436	5,497	14,297
Maintenance spares	5,928	15,417	5,917	15,390
	<u>11,479</u>	<u>29,853</u>	<u>11,414</u>	<u>29,687</u>

12 BANK BALANCES

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Cash and Bank balances	16,341	42,500	12,700	33,031
Short term deposit	-	-	7,306	19,000
	<u>16,341</u>	<u>42,500</u>	<u>20,006</u>	<u>52,031</u>

13 (a) SHARE CAPITAL

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Issued and fully paid up share capital	146,260	380,390	146,260	380,390

13 (b) DIVIDEND PAID, PAYABLE AND PROPOSED

Pursuant to shareholders' resolution dated 20 March 23, the Board of Directors in their meetings held on 19 April 2023 and 24 October 2023 approved cash dividend of 3.25 Baisas per share and 2.0 Baisas per share, respectively for the year ended 31 December 2022. Accordingly, dividend amounting to USD 12.36 million (RO 4.75 million) was paid in July 2023 and USD 7.6 million (RO 2.92 million) is payable as of 31 December 2023 which was paid subsequently in January 2024.

Pursuant to the shareholders' resolution dated 18th March 2024, the Board of Directors proposed a cash dividend to the shareholders of the Company, which will be paid in July 2024 and January 2025 for the year ended 31st December 2023, provided that the aggregate amount of such dividend shall not exceed 5.25 baizas per share.

The board of directors resolved on 24 April 2024 to distribute cash dividend of Baizas 3.25 per share, out of the retained earnings as per the audited financial statements for the financial year ended 31 December 2023 to the shareholders of the Company who are registered in the Company's shareholders' register with the Muscat Clearing & Depository Company SAOC as on 25 July 2024.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

13 (c) LEGAL RESERVE

As required by the Commercial Companies Law of the Sultanate of Oman, 10% of annual profit of the Company is required to be transferred to legal reserve until the reserve is equal to one third of the issued share capital of the Company. The reserve is not available for distribution.

14 INTEREST BEARING LOANS AND BORROWINGS

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Secured term loan from commercial banks	49,296	128,209	54,495	141,730
Secured term loan from Japan Bank for International Cooperation	94,111	244,763	104,036	270,576
Secured term loan under NEXI facilities	24,648	64,105	27,248	70,865
	<u>168,055</u>	<u>437,077</u>	<u>185,779</u>	<u>483,171</u>
Less : Unamortised transaction costs	(1,208)	(3,142)	(1,477)	(3,841)
	<u>166,847</u>	<u>433,935</u>	<u>184,302</u>	<u>479,330</u>
Less : Current portion of loans	(36,334)	(94,496)	(36,104)	(93,899)
Non-current portion of loans	<u>130,513</u>	<u>339,439</u>	<u>148,198</u>	<u>385,431</u>

The Company had entered into secured term loan agreements in relation to the Sur IPP Project. The total amount of the term loan is US\$ 1,194 million with stand by facility of US\$ 38 million at SOFR plus applicable margin.

The Company started drawdowns in 2012. The Company has fully drawn down the facility in 2014. The loans will be repayable in instalments of several denominations, every sixth month from 28 December 2014, the final instalment will be due on 28 December 2028.

The loan agreements contain certain restrictive covenants, which include, amongst other restrictions over debt service, pattern of shareholding, payment of dividends, asset sales/transfers, amendment to significant agreements entered by the Company and creation of additional security under charge.

During the year company has successfully done transition from LIBOR to SOFR. The company do not foresee any impact on the company for this transition.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

15 DERIVATIVE FINANCIAL INSTRUMENTS

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Positive fair value:				
Interest rate swap agreements				
Fair value of hedged	4,862	12,644	3,484	9,061
Fair value of derivatives	4,862	12,644	3,484	9,061
Less : Income tax effect	(729)	(1,897)	(523)	(1,359)
	4,133	10,747	2,961	7,702

The current and noncurrent portion of fair value of derivatives is as follows:

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Non-current portion	4,862	12,644	300	779
Current portion	-	-	3,184	8,282
	4,862	12,644	3,484	9,061

Negative fair value:

Forward foreign exchange contracts				
Fair value of hedged	6,075	15,799	6,083	15,821
Fair value of derivatives	6,075	15,799	6,083	15,821
Less : Income tax effect	(911)	(2,370)	(912)	(2,373)
	5,164	13,429	5,171	13,448

The current and noncurrent portion of fair value of derivatives is as follows:

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Non-current portion	6,075	15,799	4,821	12,540
Current portion	-	-	1,262	3,281
	6,075	15,799	6,083	15,821

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16 PROVISION FOR ASSET RETIREMENT OBLIGATION

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
As at 1 January	5,375	13,983	5,311	13,817
Unwinding of discount	135	350	64	166
As at 31 December	<u>5,510</u>	<u>14,333</u>	<u>5,375</u>	<u>13,983</u>

17 ACCOUNTS PAYABLE AND ACCRUALS

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Trade accounts payable	9,713	25,261	5,626	14,633
Amounts due to related parties (note 19)	2,548	6,627	3,220	8,374
Accrued expenses	20,096	52,262	10,525	27,374
	<u>32,357</u>	<u>84,150</u>	<u>19,371</u>	<u>50,381</u>

18 Finance Lease liabilities

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Land and office	1,736	4,515	1,813	4,714
Connection Fee	6,343	16,495	6,589	17,139
	<u>8,079</u>	<u>21,010</u>	<u>8,402</u>	<u>21,853</u>
Non-current portion	7,550	19,635	7,873	20,478
Current portion	529	1,375	529	1,375
	<u>8,079</u>	<u>21,010</u>	<u>8,402</u>	<u>21,853</u>

19 RELATED PARTY TRANSACTIONS

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

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions and are entered into at terms and conditions which the management considers to be comparable with those adopted for arm's length transactions with third parties. Transactions with related parties are as follows:

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NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2024

Due to related parties	2024	2024	2023	2023
	RO'000	US\$'000	RO'000	US\$'000
Phoenix Operation and Maintenance Company LLC (POMCo)	<u>2,548</u>	<u>6,627</u>	<u>3,220</u>	<u>8,374</u>
Income statement transactions	2024	2024	2023	2023
	RO'000	US\$'000	RO'000	US\$'000
Shareholders	<u>33</u>	<u>87</u>	<u>32</u>	<u>82</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>5,042</u>	<u>13,113</u>	<u>4,677</u>	<u>12,163</u>

20 COMMITMENTS

The Company has entered into agreements for the purchase of natural gas with the Integrated Gas Company, Usufruct rights over plant site with the Government of Sultanate of Oman, long-term supply of spare parts of gas turbines with Siemens Aktiengesellschaft, maintenance service of gas turbines with Siemens Energy LLC Oman, operation and maintenance of the Sur IPP Project with Phoenix Operation and Maintenance Company LLC.

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2023.

22 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform to the current period presentation.