

PHOENIX POWER COMPANY SAOG

**UNAUDITED
FINANCIAL STATEMENTS**

30 September 2024

PHOENIX POWER COMPANY SAOG

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Notes	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Operating revenue	3	137,305	357,099	130,812	340,214
Operating costs	4	(99,743)	(259,409)	(93,327)	(242,722)
Operating Profit		37,562	97,690	37,485	97,492
General and administrative expenses	5	(1,170)	(3,041)	(1,094)	(2,848)
Finance costs	6	(8,045)	(20,924)	(9,371)	(24,370)
Finance Income		420	1,093	192	499
Profit before tax		28,767	74,818	27,212	70,773
Income tax	7	(2,860)	(7,437)	(2,063)	(5,366)
PROFIT FOR THE PERIOD		25,907	67,381	25,149	65,407
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		(558)	(1,450)	3,864	10,050
Income tax effect		84	218	(580)	(1,508)
OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD		(474)	(1,232)	3,284	8,542
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		25,433	66,149	28,433	73,949
BASIC EARNINGS PER SHARE (RO/US\$)		0.018	0.05	0.017	0.04

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

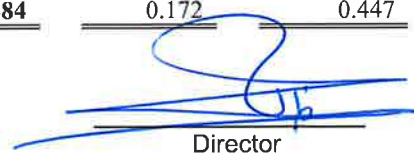
PHOENIX POWER COMPANY SAOG

STATEMENT OF FINANCIAL POSITION

AT 30 September 2024

		30 September 2024	30 September 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	460,454	1,197,538	472,363	1,228,508
Right to use assets	9	7,434	19,335	7,638	19,866
Derivative financial instruments	15	2,131	5,541	300	779
		<u>470,019</u>	<u>1,222,414</u>	<u>480,301</u>	<u>1,249,153</u>
Current assets					
Trade and other receivables	10	18,869	49,076	8,751	22,759
Inventories	11	11,533	29,995	11,414	29,687
Bank balances	12	37,869	98,488	20,006	52,031
Derivative financial instruments	15	-	-	3,184	8,282
		<u>68,271</u>	<u>177,559</u>	<u>43,355</u>	<u>112,759</u>
TOTAL ASSETS		<u>538,290</u>	<u>1,399,973</u>	<u>523,656</u>	<u>1,361,912</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	(2,683)	(6,978)	(2,209)	(5,746)
Retained earnings		111,246	289,323	90,093	234,305
Total equity		<u>272,048</u>	<u>707,534</u>	<u>251,369</u>	<u>653,748</u>
Non-current liabilities					
Interest bearing loans and borrowings	14	130,637	339,761	148,198	385,431
Fair value of derivative financial instruments	15	5,287	13,751	4,821	12,540
Provision for asset retirement obligation	16	5,576	14,507	5,376	13,983
Deferred tax liability		45,967	119,549	45,790	119,090
Finance Lease liability	18	7,652	19,900	7,873	20,478
Employees' end of service benefits		44	115	38	99
		<u>195,163</u>	<u>507,583</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)	-	-	2,925	7,608
Accounts payable and accruals	17	34,216	88,985	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>71,079</u>	<u>184,856</u>	<u>60,191</u>	<u>156,543</u>
Total liabilities		<u>266,242</u>	<u>692,439</u>	<u>272,287</u>	<u>708,164</u>
TOTAL EQUITY AND LIABILITIES		<u>538,290</u>	<u>1,399,973</u>	<u>523,656</u>	<u>1,361,912</u>
Net assets per share (RO/US\$)		<u>0.186</u>	<u>0.484</u>	<u>0.172</u>	<u>0.447</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 SEPTEMBER 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		-	-	-	25,149	25,149
Other comprehensive income / (expense)		-	-	3,284	-	3,284
Total comprehensive income / (expense)		-	-	3,284	25,149	28,433
Dividend Paid		-	-	-	(4,754)	(4,754)
Balance at 30 September 2023		146,260	15,033	1,248	98,432	260,973
Balance at 1 January 2024		146,260	17,225	(2,209)	90,093	251,369
Net profit for the period		-	-	-	25,907	25,907
Other comprehensive income / (expense)		-	-	(474)	-	(474)
Total comprehensive income / (expense)		-	-	(474)	25,907	25,433
Dividend Payable		-	-	-	(4,754)	(4,754)
Balance at 30 September 2024		146,260	17,225	(2,683)	111,246	272,048

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 SEPTEMBER 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	-	-	-	65,407	65,407
<i>Other comprehensive income</i>	-	-	8,542	-	8,542
Total comprehensive income	-	-	8,542	65,407	73,949
Dividend Paid	-	-	-	(12,363)	(12,363)
Balance on 30 September 2023	380,390	39,098	3,246	256,005	678,739
Balance at 1 January 2024	380,390	44,799	(5,746)	234,305	653,748
Net profit for the period	-	-	-	67,381	67,381
<i>Other comprehensive income</i>	-	-	(1,232)	-	(1,232)
<i>Total comprehensive income</i>	-	-	(1,232)	67,381	66,149
Dividend Payable	-	-	-	(12,363)	(12,363)
Balance at 30 September 2024	380,390	44,799	(6,978)	289,323	707,534

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 SEPTEMBER 2024

	<i>Notes</i>	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
OPERATING ACTIVITIES					
Profit before tax		28,767	74,818	27,212	70,773
Depreciation	8,9	12,113	31,501	12,105	31,482
Interest – term loans and swap settlements		7,025	18,271	8,276	21,523
Amortisation of deferred finance cost		393	1,021	469	1,220
Interest expense for lease liability		295	768	275	715
Asset retirement obligation - unwinding of discount		201	524	192	499
Accruals for employee's end of service benefits		6	16	-	1
		<u>48,800</u>	<u>126,919</u>	48,529	126,213
Working capital changes:					
Trade and other receivables		(10,119)	(26,317)	(10,551)	(27,441)
Accounts payable and accruals		10,408	27,068	9,671	25,154
Inventories		(118)	(308)	(53)	(137)
Cash generated from operating activities		<u>48,971</u>	<u>127,362</u>	47,596	123,789
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>43,783</u>	<u>113,869</u>	41,938	109,074
INVESTING ACTIVITIES					
Additions to property, plant and equipment		-	-	(70)	(183)
Investment in short term deposits		(11,458)	(29,800)	(15,342)	(39,900)
Net cash used in investing activities		<u>(11,458)</u>	<u>(29,800)</u>	(15,412)	(40,083)
FINANCING ACTIVITIES					
Dividend paid		(7,679)	(19,971)	(7,798)	(20,280)
Repayment of interest bearing loans and borrowings		(17,723)	(46,094)	(16,800)	(43,694)
Working Capital Facility		-	-	-	-
Lease payment		(518)	(1,347)	(507)	(1,319)
Net cash (used in) in financing activities		<u>(25,920)</u>	<u>(67,412)</u>	(25,105)	(65,293)
INCREASE (USED IN) IN CASH AND CASH EQUIVALENTS					
		6,405	16,657	1,421	3,698
Cash and cash equivalents at the beginning of the period		12,700	33,031	20,259	52,688
CASH AND CASH EQUIVALENTS AT 30 September	12	<u>19,105</u>	<u>49,688</u>	21,680	56,386

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

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 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.

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 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 2019, and the Financial Services 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 September 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 SEPTEMBER 2024

3 OPERATING REVENUE

	30 September 2024 RO'000	30 September 2024 US\$'000	30 September 2023 RO'000	30 September 2023 US\$'000
Capacity charges	60,337	156,923	60,013	156,081
Energy charges	76,968	200,176	70,799	184,133
	<u>137,305</u>	<u>357,099</u>	<u>130,812</u>	<u>340,214</u>

4 OPERATING COSTS

	30 September 2024 RO'000	30 September 2024 US\$'000	30 September 2023 RO'000	30 September 2023 US\$'000
Gas consumption	73,679	191,622	67,811	176,361
Depreciation (note 8-9)	12,084	31,428	12,084	31,428
Operation and maintenance cost	7,016	18,246	6,409	16,669
Contractual services maintenance cost	5,958	15,496	6,184	16,084
Insurance and other costs	944	2,455	777	2,020
Connection and license fee	62	162	62	160
	<u>99,743</u>	<u>259,409</u>	<u>93,327</u>	<u>242,722</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2024

5 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>30</i> <i>September</i> <i>2024</i> <i>RO '000</i>	<i>30</i> <i>September</i> <i>2024</i> <i>US \$'000</i>	<i>30</i> <i>September</i> <i>2023</i> <i>RO '000</i>	<i>30</i> <i>September</i> <i>2023</i> <i>US \$'000</i>
Staff costs and other benefits	573	1,489	579	1,507
Legal and professional charges	154	400	138	360
Office related expenses	12	31	21	54
Depreciation (note 8-9)	28	73	21	55
Other expenses	403	1,048	335	872
	<u>1,170</u>	<u>3,041</u>	<u>1,094</u>	<u>2,848</u>

6 FINANCE COSTS

	<i>30</i> <i>September</i> <i>2024</i> <i>RO'000</i>	<i>30</i> <i>September</i> <i>2024</i> <i>US\$'000</i>	<i>30</i> <i>September</i> <i>2023</i> <i>RO'000</i>	<i>30</i> <i>September</i> <i>2023</i> <i>US\$'000</i>
Interest and swap settlements	7,025	18,271	8,276	21,523
Amortisation of deferred finance cost	393	1,021	469	1,220
Asset retirement obligation - unwinding of discount	201	524	192	499
Interest expense for lease liability	295	768	275	715
Debt service commission	57	148	91	237
Exchange loss	74	192	68	176
	<u>8,045</u>	<u>20,924</u>	<u>9,371</u>	<u>24,370</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 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>(2,860)</u>	<u>(7,437)</u>	<u>(2,063)</u>	<u>(5,366)</u>
	<u>(2,860)</u>	<u>(7,437)</u>	<u>(2,063)</u>	<u>(5,366)</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	83,876	518,087	10,809	3,249	296	616,317
At 30 September 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	1,573	9,714	541	68	13	11,909
At 30 September 2024	<u>20,565</u>	<u>127,026</u>	<u>7,072</u>	<u>964</u>	<u>236</u>	<u>155,863</u>
Net book value						
At 30 September 2024	<u>63,311</u>	<u>391,061</u>	<u>3,737</u>	<u>2,285</u>	<u>60</u>	<u>460,454</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 SEPTEMBER 2024**

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	Plant building US\$'000	Plant and equipment US\$'000	Strategic spares US\$'000	Asset retirement US\$'000	Other assets US\$'000	Total US\$'000
At 1 January 2024	218,142	1,347,432	28,113	8,450	761	1,602,898
At 30 September 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	4,090	25,264	1,406	177	33	30,970
At 30 September 2024	53,486	330,368	18,382	2,513	611	405,360
Net book value						
At 30 September 2024	164,656	1,017,064	9,731	5,937	150	1,197,538
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 SEPTEMBER 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 September 2024	<u>1,814</u>	<u>6,995</u>	<u>102</u>	<u>8,911</u>
Accumulated depreciation				
Opening balance	260	1,001	12	1,273
Charge during the period	39	150	15	204
At 30 September 2024	<u>299</u>	<u>1,151</u>	<u>27</u>	<u>1,477</u>
At 30 September 2024	<u>1,515</u>	<u>5,844</u>	<u>75</u>	<u>7,434</u>
At 31 December 2023	<u>1,554</u>	<u>5,994</u>	<u>90</u>	<u>7,638</u>

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 September 2024	<u>4,718</u>	<u>18,193</u>	<u>264</u>	<u>23,175</u>
Accumulated depreciation				
Opening balance	675	2,603	31	3,309
Charge during the period	101	391	39	531
At 30 September 2024	<u>776</u>	<u>2,994</u>	<u>70</u>	<u>3,840</u>
Net book value				
At 30 September 2024	<u>3,942</u>	<u>15,199</u>	<u>194</u>	<u>19,335</u>
At 31 December 2023	<u>4,043</u>	<u>15,590</u>	<u>233</u>	<u>19,866</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2024

10 TRADE AND OTHER RECEIVABLES

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Trade receivables	17,933	46,641	8,178	21,270
Other receivables	604	1,571	363	944
Prepayment	332	864	210	545
	<u>18,869</u>	<u>49,076</u>	<u>8,751</u>	<u>22,759</u>

11 INVENTORIES

Fuel inventory	5,548	14,429	5,497	14,297
Maintenance spares	5,985	15,566	5,917	15,390
	<u>11,533</u>	<u>29,995</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	19,105	49,688	12,700	33,031
Short term deposit	18,764	48,800	7,306	19,000
	<u>37,869</u>	<u>98,488</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	<u>146,260</u>	<u>380,390</u>	<u>146,260</u>	<u>380,390</u>

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 SEPTEMBER 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	(1,084)	(2,820)	(1,477)	(3,841)
	<u>166,971</u>	<u>434,257</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>130,637</u>	<u>339,761</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.

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NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 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	2,131	5,541	3,484	9,061
Fair value of derivatives	<u>2,131</u>	<u>5,541</u>	<u>3,484</u>	<u>9,061</u>
Less : Income tax effect	<u>(320)</u>	<u>(831)</u>	<u>(523)</u>	<u>(1,359)</u>
	<u>1,811</u>	<u>4,710</u>	<u>2,961</u>	<u>7,702</u>

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	2,131	5,541	300	779
Current portion	-	-	3,184	8,282
	<u>2,131</u>	<u>5,541</u>	<u>3,484</u>	<u>9,061</u>

Negative fair value:

Forward foreign exchange contracts				
Fair value of hedged	5,287	13,751	6,083	15,821
Fair value of derivatives	<u>5,287</u>	<u>13,751</u>	<u>6,083</u>	<u>15,821</u>
Less : Income tax effect	<u>(793)</u>	<u>(2,063)</u>	<u>(912)</u>	<u>(2,373)</u>
	<u>4,494</u>	<u>11,688</u>	<u>5,171</u>	<u>13,448</u>

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	5,287	13,751	4,821	12,540
Current portion	-	-	1,262	3,281
	<u>5,287</u>	<u>13,751</u>	<u>6,083</u>	<u>15,821</u>

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NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2024

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	201	524	64	166
As at 31 December	<u>5,576</u>	<u>14,507</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	9,462	24,608	5,626	14,633
Amounts due to related parties (note 19)	3,008	7,823	3,220	8,374
Accrued expenses	21,746	56,554	10,525	27,374
	<u>34,216</u>	<u>88,985</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	1,761	4,579	1,813	4,714
Connection Fee	6,420	16,696	6,589	17,139
	<u>8,181</u>	<u>21,275</u>	<u>8,402</u>	<u>21,853</u>
Non-current portion	7,652	19,900	7,873	20,478
Current portion	529	1,375	529	1,375
	<u>8,181</u>	<u>21,275</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 SEPTEMBER 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>3,008</u>	<u>7,823</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>49</u>	<u>128</u>	<u>49</u>	<u>127</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>7,016</u>	<u>18,246</u>	<u>6,409</u>	<u>16,669</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.