

Dear Shareholders,

On behalf of the Board of Directors of Phoenix Power Company SAOG ("PPC" or the "Company"), I have the pleasure to present the Directors' Report together with the unaudited financial statements of the Company for the three-month period ended 31st March 2024.

Health, Safety and Environment (HSE)

We are pleased to inform that Sur IPP has successfully achieved 3,399 days without a Lost Time Accident (LTA) in Q1 2024, reflecting our dedication to health, safety, and environmental (HSE) management. During this quarter, we will continue to implement best practices and adhere to regulations, ensuring the protection of our surroundings.

Our ongoing efforts will focus on maintaining strong HSE performance through regular training, risk assessments, and continuous improvement initiatives.

Operations

During the first quarter of 2024, Sur Power Plant has consistently demonstrated outstanding operational performance by attaining a Commercial Availability (CA) rate of 99.79%.

The net power exported during the first three months of 2024 totaled 1,780.2 GWhrs, in comparison to 1,545.9 GWhrs in the same period of 2023. This increase reflects higher power generation at the plant during the reporting period, reflecting higher dispatch by the Oman Power & Water Procurement Company SAOC ("OPWP" or the "Buyer").

Financial Results

The Company generated a net loss of RO (4.32) million for the three months of 2024. Net revenues for the period were RO 25.50 million and costs were RO 25.90 million, the largest of which is the purchase of fuel gas for the power plant. The financial results of the first three months of 2024 compare reasonably with the first three months of the previous year, 2023, where the net loss was RO (4.41) million.

The share price of PPC was 61 Baizas at the close of the first three months of the year.

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Corporate Governance

The Company AGM was held online on 18th March, with all proposals put forward by the Company considered and approved by Shareholders.

Significant effort continues to be placed on policy and process review to ensure the highest standards of corporate governance in compliance with local regulatory requirements as well as with international best practices.

Corporate Social Responsibility

The Company continues to support Corporate Social Responsibility (CSR) in the areas of health and safety, environment, welfare, and education, particularly in the local Sur community.

Future Outlook

The Management of the Company remains committed to ensuring high standards of health, safety, environmental compliance, reliability, and availability throughout the remaining months of 2024. We will continue to implement best practices and closely monitor operations to ensure seamless performance and the well-being of our employees and stakeholders.

Finally, on behalf of the Board of Directors, I would like to express our profound appreciation and gratitude to the visionary leader, His Majesty Sultan Haitham bin Tariq Al Said, and His Government for their unwavering support and cooperation extended to Phoenix Power in achieving its highest goals.

Khalid Jolo

Chairman of the Board