

**PHOENIX POWER COMPANY SAOG**

**UNAUDITED  
FINANCIAL STATEMENTS**

**31 March 2024**

# PHOENIX POWER COMPANY SAOG

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024

	<i>Notes</i>	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Operating revenue	3	25,498	66,314	22,808	59,318
Operating costs	4	(25,902)	(67,366)	(23,051)	(59,948)
<b>Operating loss</b>		<b>(404)</b>	<b>(1,052)</b>	<b>(243)</b>	<b>(630)</b>
General and administrative expenses	5	(399)	(1,037)	(353)	(916)
Finance costs	6	(2,727)	(7,092)	(3,153)	(8,198)
Finance Income		122	318	26	67
<b>Loss before tax</b>		<b>(3,408)</b>	<b>(8,863)</b>	<b>(3,723)</b>	<b>(9,677)</b>
Income tax	7	(907)	(2,359)	(688)	(1,789)
<b>LOSS FOR THE PERIOD</b>		<b>(4,315)</b>	<b>(11,222)</b>	<b>(4,411)</b>	<b>(11,466)</b>
<b>OTHER COMPREHENSIVE INCOME - /(EXPENSE) , NET OF TAX</b>					
<i>Item that may be reclassified to profit and loss in subsequent periods:</i>					
Net movement in fair value of cash flow hedges		2,532	6,584	(762)	(1,983)
Income tax effect		(380)	(988)	114	297
<b>OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD</b>		<b>2,152</b>	<b>5,596</b>	<b>(648)</b>	<b>(1,686)</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>		<b>(2,163)</b>	<b>(5,626)</b>	<b>(5,059)</b>	<b>(13,152)</b>
<b>BASIC EARNINGS PER SHARE (RO/US\$)</b>		<b>(0.003)</b>	<b>(0.008)</b>	<b>(0.003)</b>	<b>(0.008)</b>

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

# PHOENIX POWER COMPANY SAOG

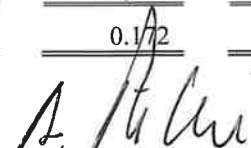
## STATEMENT OF FINANCIAL POSITION

AT 31 March 2024

		31 March 2024	31 March 2024	31 December 2023	31 December 2023
	Notes	RO'000	US\$'000	RO'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	468,394	1,218,186	472,363	1,228,508
Right to use assets	9	7,570	19,689	7,638	19,866
Derivative financial instruments	15	6,134	15,954	300	779
		<u>482,098</u>	<u>1,253,829</u>	<u>480,301</u>	<u>1,249,153</u>
<b>Current assets</b>					
Trade and other receivables	10	8,894	23,132	8,751	22,759
Inventories	11	11,374	29,583	11,414	29,687
Bank balances	12	18,737	48,730	20,006	52,031
Derivative financial instruments	15	-	-	3,184	8,282
		<u>39,005</u>	<u>101,445</u>	<u>43,355</u>	<u>112,759</u>
<b>TOTAL ASSETS</b>		<u><b>521,103</b></u>	<u><b>1,355,274</b></u>	<u><b>523,656</b></u>	<u><b>1,361,912</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
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	(57)	(150)	(2,209)	(5,746)
Retained earnings		85,778	223,083	90,093	234,305
<b>Total equity</b>		<u><b>249,206</b></u>	<u><b>648,122</b></u>	<u><b>251,369</b></u>	<u><b>653,748</b></u>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	14	148,335	385,786	148,198	385,431
Fair value of derivative financial instruments	15	6,202	16,130	4,821	12,540
Provision for asset retirement obligation	16	5,442	14,158	5,376	13,983
Deferred tax liability		46,257	120,303	45,790	119,090
Finance Lease liability	18	7,465	19,415	7,873	20,478
Employees' end of service benefits		43	111	38	99
		<u>213,744</u>	<u>555,903</u>	<u>212,096</u>	<u>551,621</u>
<b>Current liabilities</b>					
Interest bearing loans and borrowings	14	36,104	93,899	36,104	93,899
Dividend payable	13(b)	-	-	2,925	7,608
Accounts payable and accruals	17	21,520	55,975	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>58,153</u>	<u>151,249</u>	<u>60,191</u>	<u>156,543</u>
<b>Total liabilities</b>		<u><b>271,897</b></u>	<u><b>707,152</b></u>	<u><b>272,287</b></u>	<u><b>708,164</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>521,103</b></u>	<u><b>1,355,274</b></u>	<u><b>523,656</b></u>	<u><b>1,361,912</b></u>
<b>Net assets per share (RO/US\$)</b>		<u><b>0.170</b></u>	<u><b>0.443</b></u>	<u><b>0.172</b></u>	<u><b>0.447</b></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 31 MARCH 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	-	-	-	(4,411)	(4,411)
Other comprehensive income / (expense)	-	-	(648)	-	(648)
Total comprehensive income / (expense)	-	-	(648)	(4,411)	(5,059)
Dividend Paid	-	-	-	-	-
Balance at 31 March 2023	146,260	15,033	(2,684)	73,626	232,235
<b>Balance at 1 January 2024</b>	<b>146,260</b>	<b>17,225</b>	<b>(2,209)</b>	<b>90,093</b>	<b>251,369</b>
Net profit for the period	-	-	-	(4,315)	(4,315)
Other comprehensive income / (expense)	-	-	2,152	-	2,152
Total comprehensive income / (expense)	-	-	2,152	(4,315)	(2,163)
Dividend Paid	-	-	-	-	-
Balance at 31 March 2024	146,260	17,225	(57)	85,778	249,206

## PHOENIX POWER COMPANY SAOG

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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	-	-	-	(11,466)	(11,466)
<i>Other comprehensive income</i>	-	-	(1,686)	-	(1,686)
Total comprehensive income	-	-	(1,686)	(11,466)	(13,152)
Dividend Paid	-	-	-	-	-
Balance on 31 March 2023	380,390	39,098	(6,982)	191,495	604,001
<b>Balance at 1 January 2024</b>	<b>380,390</b>	<b>44,799</b>	<b>(5,746)</b>	<b>234,305</b>	<b>653,748</b>
Net profit for the period	-	-	-	(11,222)	57,010
<i>Other comprehensive income</i>	-	-	5,596	-	5,596
Total comprehensive income	-	-	5,596	(11,222)	(5,626)
Dividend Paid	-	-	-	-	-
Balance at 31 March 2024	380,390	44,799	(150)	223,083	648,122

# PHOENIX POWER COMPANY SAOG

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

	<i>Notes</i>	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
<b>OPERATING ACTIVITIES</b>					
Profit before tax		(3,408)	(8,863)	(3,723)	(9,677)
Depreciation	8,9	4,037	10,499	4,030	10,479
Interest – term loans and swap settlements		2,400	6,241	2,798	7,277
Amortisation of deferred finance cost		136	355	162	421
Interest expense for lease liability		98	255	96	249
Asset retirement obligation - unwinding of discount		67	175	64	166
Accruals for employee's end of service benefits		5	12	2	6
		<u>3,335</u>	<u>8,674</u>	<u>3,429</u>	<u>8,921</u>
<b>Working capital changes:</b>					
Trade and other receivables		(143)	(373)	(1,528)	(3,976)
Accounts payable and accruals		(1,068)	(2,779)	(2,565)	(6,670)
Inventories		40	104	(125)	(325)
<b>Cash generated from operating activities</b>		<u>2,164</u>	<u>5,626</u>	<u>(789)</u>	<u>(2,050)</u>
Interest – term loans and swap settlements		-	-	-	-
Employees' end of service benefit paid		-	-	-	-
<b>Net cash generated from operating activities</b>		<u>2,164</u>	<u>5,626</u>	<u>(789)</u>	<u>(2,050)</u>
<b>INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment		-	-	(48)	(126)
Short term deposits		(1,077)	(2,800)	(5,806)	(15,100)
<b>Net cash used in investing activities</b>		<u>(1,077)</u>	<u>(2,800)</u>	<u>(5,854)</u>	<u>(15,226)</u>
<b>FINANCING ACTIVITIES</b>					
Dividend paid		(2,925)	(7,608)	(3,044)	(7,917)
Repayment of interest bearing loans and borrowings		-	-	-	-
Lease payment		(507)	(1,319)	(105)	(272)
<b>Net cash (used in) in financing activities</b>		<u>(3,432)</u>	<u>(8,927)</u>	<u>(3,149)</u>	<u>(8,189)</u>
<b>INCREASE (USED IN) IN CASH AND CASH EQUIVALENTS</b>					
		<u>(2,345)</u>	<u>(6,101)</u>	<u>(9,792)</u>	<u>(25,465)</u>
Cash and cash equivalents at the beginning of the period		12,700	33,031	20,259	52,688
<b>CASH AND CASH EQUIVALENTS AT 31 March</b>	12	<u>10,355</u>	<u>26,930</u>	<u>10,467</u>	<u>27,223</u>

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

# PHOENIX POWER COMPANY SAOG

---

## NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 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 31 MARCH 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 31 March 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 31 MARCH 2024

### 3 OPERATING REVENUE

	31 March 2024 RO'000	31 March 2024 US\$'000	31 March 2023 RO'000	31 March 2023 US\$'000
Capacity charges	7,787	20,251	7,670	19,948
Energy charges	17,711	46,063	15,138	39,370
	<u>25,498</u>	<u>66,314</u>	<u>22,808</u>	<u>59,318</u>

### 4 OPERATING COSTS

	31 March 2024 RO'000	31 March 2024 US\$'000	31 March 2023 RO'000	31 March 2023 US\$'000
Gas consumption	16,822	43,750	14,383	37,407
Depreciation (note 8-9)	4,028	10,476	4,028	10,476
Operation and maintenance cost	3,139	8,165	3,013	7,835
Contractual services maintenance cost	1,578	4,104	1,385	3,601
Insurance and other costs	313	813	219	569
Connection and license fee	22	58	23	60
	<u>25,902</u>	<u>67,366</u>	<u>23,051</u>	<u>59,948</u>

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2024

### 5 GENERAL AND ADMINISTRATIVE EXPENSES

	<b>31 March</b> <b>2024</b> <b>RO '000</b>	<b>31 March</b> <b>2024</b> <b>US \$'000</b>	31 March 2023 RO '000	31 March 2023 US \$'000
Staff costs and other benefits	187	486	184	479
Legal and professional charges	58	151	40	103
Office related expenses	2	5	7	18
Depreciation (note 8-9)	9	24	2	4
Other expenses	143	371	120	312
	<u>399</u>	<u>1,037</u>	<u>353</u>	<u>916</u>

### 6 FINANCE COSTS

	<b>31</b> <b>March</b> <b>2024</b> <b>RO'000</b>	<b>31</b> <b>March</b> <b>2024</b> <b>US\$'000</b>	31 March 2023 RO'000	31 March 2023 US\$'000
Interest and swap settlements	2,400	6,241	2,798	7,277
Amortisation of deferred finance cost	136	355	162	421
Asset retirement obligation - unwinding of discount	67	175	64	166
Interest expense for lease liability	98	255	96	249
Debt service commission	20	51	20	51
Exchange (Gain) / loss	6	15	13	34
	<u>2,727</u>	<u>7,092</u>	<u>3,153</u>	<u>8,198</u>

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2024

7 INCOME TAX

Recognized in the income statement in the current year

	<i>2024</i> <i>RO'000</i>	<i>2024</i> <i>US\$'000</i>	<i>2023</i> <i>RO'000</i>	<i>2023</i> <i>US\$'000</i>
Income tax expense	<u>(907)</u>	<u>(2,359)</u>	<u>(688)</u>	<u>(1,789)</u>
	<u>(907)</u>	<u>(2,359)</u>	<u>(688)</u>	<u>(1,789)</u>

## 8 PROPERTY, PLANT AND EQUIPMENT

	<b>Plant Building RO'000</b>	<b>Plant and Equipment RO'000</b>	<b>Strategic spares RO'000</b>	<b>Asset Retirement RO'000</b>	<b>Other Assets RO'000</b>	<b>Tot. RO'000</b>
<b>Cost</b>						
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 31 March 2024	<u>83,876</u>	<u>518,087</u>	<u>10,809</u>	<u>3,249</u>	<u>296</u>	<u>616,317</u>
<b>Accumulated depreciation</b>						
At 1 January 2024	18,992	117,312	6,531	896	223	143,954
Charge during the period	<u>524</u>	<u>3,238</u>	<u>180</u>	<u>23</u>	<u>4</u>	<u>3,969</u>
At 31 March 2024	<u>19,516</u>	<u>120,550</u>	<u>6,711</u>	<u>919</u>	<u>227</u>	<u>147,923</u>
<b>Net book value</b>						
At 31 March 2024	<u>64,360</u>	<u>397,537</u>	<u>4,098</u>	<u>2,330</u>	<u>69</u>	<u>468,354</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>472,393</u>

**PHOENIX POWER COMPANY SAOG**

**NOTES TO THE FINANCIAL STATEMENTS  
AT 31 MARCH 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
<b>Cost</b>						
At 1 January 2024	218,142	1,347,432	28,113	8,450	761	1,602,898
At 31 March 2024	<b>218,142</b>	<b>1,347,432</b>	<b>28,113</b>	<b>8,450</b>	<b>761</b>	<b>1,602,898</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	49,396	305,104	16,976	2,336	578	374,390
Charge during the period	1,363	8,421	468	59	11	10,322
At 31 March 2024	<b>50,759</b>	<b>313,525</b>	<b>17,444</b>	<b>2,395</b>	<b>589</b>	<b>384,712</b>
<b>Net book value</b>						
At 31 March 2024	<b>167,383</b>	<b>1,033,907</b>	<b>10,669</b>	<b>6,055</b>	<b>172</b>	<b>1,218,186</b>
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 31 MARCH 2024

### 9 RIGHT TO USE ASSETS

	<b>Land Lease RO '000</b>	<b>Connection Fee RO '000</b>	<b>PPC Office RO '000</b>	<b>Total RO '000</b>
<b>Cost</b>				
Opening balance	1,814	6,995	102	8,911
Additions during the period	-	-	-	-
At 31 March 2024	<u>1,814</u>	<u>6,995</u>	<u>102</u>	<u>8,911</u>
<b>Accumulated depreciation</b>				
Opening balance	260	1001	12	1273
Charge during the period	13	50	5	68
At 31 March 2024	<u>273</u>	<u>1051</u>	<u>17</u>	<u>1341</u>
At 31 March 2024	<u>1,541</u>	<u>5944</u>	<u>85</u>	<u>7,570</u>
At 31 December 2023	<u>1,554</u>	<u>5994</u>	<u>90</u>	<u>7,638</u>

### 9 RIGHT TO USE ASSETS

	<b>Land Lease US\$'000</b>	<b>Connection Fee US\$'000</b>	<b>PPC Office US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>				
Opening balance	4,718	18,193	264	23,175
Additions during the period	-	-	-	-
At 31 March 2024	<u>4,718</u>	<u>18,193</u>	<u>264</u>	<u>23,175</u>
<b>Accumulated depreciation</b>				
Opening balance	675	2,603	31	3,309
Charge during the period	34	130	13	177
At 31 March 2024	<u>709</u>	<u>2,733</u>	<u>44</u>	<u>3,486</u>
<b>Net book value</b>				
At 31 March 2024	<u>4009</u>	<u>15,460</u>	<u>220</u>	<u>19,689</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 31 MARCH 2024

### 10 TRADE AND OTHER RECEIVABLES

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
Trade receivables	8,383	21,803	8,178	21,270
Other receivables	270	702	373	970
Prepayment	241	627	200	519
	<u>8,894</u>	<u>23,132</u>	<u>8,751</u>	<u>22,759</u>

### 11 INVENTORIES

Fuel inventory	5,457	14,193	5,497	14,297
Maintenance spares	5,917	15,390	5,917	15,390
	<u>11,374</u>	<u>29,583</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	10,355	26,930	12,700	33,031
Short term deposit	8,382	21,800	7,306	19,000
	<u>18,737</u>	<u>48,730</u>	<u>20,006</u>	<u>52,031</u>

Cash and cash balance at the end of 31 March includes short term deposits of 21.8 M USD (8.4 M RO) (2022 19 M USD (7.3 M RO))

### 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 12 April 23, the Board of Directors in their meetings held on 18 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 18<sup>th</sup> 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 31<sup>st</sup> December 2023, provided that the aggregate amount of such dividend shall not exceed 5.25 baizas per share.

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 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	54,495	141,730	54,495	141,730
Secured term loan from Japan Bank for International Cooperation	104,036	270,576	104,036	270,576
Secured term loan under NEXI facilities	27,248	70,865	27,248	70,865
	<u>185,779</u>	<u>483,171</u>	<u>185,779</u>	<u>483,171</u>
Less : Unamortised transaction costs	<u>(1,340)</u>	<u>(3,486)</u>	<u>(1,477)</u>	<u>(3,841)</u>
	<u>184,439</u>	<u>479,685</u>	<u>184,302</u>	<u>479,330</u>
Less : Current portion of loans	<u>(36,104)</u>	<u>(93,899)</u>	<u>(36,104)</u>	<u>(93,899)</u>
Non-current portion of loans	<u>148,335</u>	<u>385,786</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 31 MARCH 2024

### 15 DERIVATIVE FINANCIAL INSTRUMENTS

	2024 RO'000	2024 US\$'000	2023 RO'000	2023 US\$'000
<b>Positive fair value:</b>				
Interest rate swap agreements				
Fair value of hedged	6,134	15,954	3,484	9,061
Fair value of derivatives	<u>6,134</u>	<u>15,954</u>	<u>3,484</u>	<u>9,061</u>
Less : Income tax effect	<u>(920)</u>	<u>(2,393)</u>	<u>(523)</u>	<u>(1,359)</u>
	<u><u>5,214</u></u>	<u><u>13,561</u></u>	<u><u>2,961</u></u>	<u><u>7,702</u></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	6,134	15,954	300	779
Current portion	-	-	3,184	8,282
	<u><u>6,134</u></u>	<u><u>15,954</u></u>	<u><u>3,484</u></u>	<u><u>9,061</u></u>

#### Negative fair value:

Forward foreign exchange contracts				
Fair value of hedged	6,202	16,130	6,083	15,821
Fair value of derivatives	<u>6,202</u>	<u>16,130</u>	<u>6,083</u>	<u>15,821</u>
Less : Income tax effect	<u>(930)</u>	<u>(2,420)</u>	<u>(912)</u>	<u>(2,373)</u>
	<u><u>5,272</u></u>	<u><u>13,710</u></u>	<u><u>5,171</u></u>	<u><u>13,448</u></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	6,202	16,130	4,821	12,540
Current portion	-	-	1,262	3,281
	<u><u>6,202</u></u>	<u><u>16,130</u></u>	<u><u>6,083</u></u>	<u><u>15,821</u></u>



# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 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	67	175	64	166
As at 31 December	<u>5,442</u>	<u>14,158</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	5,913	15,379	5,626	14,633
Amounts due to related parties (note 19)	1,957	5090	3,220	8,374
Accrued expenses	13,650	35,506	10,525	27,374
	<u>21,520</u>	<u>55,975</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	1,729	4,496	1,813	4,714
Connection Fee	6,265	16,294	6589	17,139
	<u>7,994</u>	<u>20,790</u>	<u>8402</u>	<u>21,853</u>
Non-current portion	7,465	19,415	7,873	20,478
Current portion	529	1,375	529	1,375
	<u>7,994</u>	<u>20,790</u>	<u>8402</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:

## PHOENIX POWER COMPANY SAOG

### NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 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>1,957</u>	<u>5,090</u>	<u>3,220</u>	<u>8,374</u>
<b>Income statement transactions</b>				
	2024	2024	2023	2023
	RO'000	US\$'000	RO'000	US\$'000
Shareholders	<u>17</u>	<u>45</u>	<u>17</u>	<u>45</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>3,139</u>	<u>8,165</u>	<u>3,013</u>	<u>7,835</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.