

# **PHOENIX POWER COMPANY SAOG**

## **UNAUDITED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2022**

## PHOENIX POWER COMPANY SAOG

### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	<i>Notes</i>	<b>2022</b> RO'000	<b>2022</b> US\$'000	2021 RO'000	2021 US\$'000
Operating revenue	<b>3</b>	123,266	320,588	122,402	318,341
Operating costs	<b>4</b>	(85,513)	(222,402)	(86,817)	(225,792)
<b>Operating profit</b>		<b>37,753</b>	<b>98,186</b>	35,585	92,549
General and administrative expenses	<b>5</b>	(878)	(2,284)	(880)	(2,287)
Finance costs (net)	<b>6</b>	(10,314)	(26,825)	(11,384)	(29,609)
<b>Profit before tax</b>		<b>26,561</b>	<b>69,077</b>	23,321	60,653
Income tax	<b>7</b>	(2,308)	(6,002)	(1,937)	(5,039)
<b>PROFIT FOR THE PERIOD</b>		<b>24,253</b>	<b>63,075</b>	21,384	55,614
<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		20,745	53,954	8,026	20,877
Income tax effect		(3,111)	(8,093)	(1,204)	(3,132)
<b>OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD</b>		17,634	45,861	6,822	17,745
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>		<b>41,887</b>	<b>108,936</b>	28,206	73,359

The attached notes 1 to 20 form part of these financial statements

**PHOENIX POWER COMPANY SAOG**

**STATEMENT OF FINANCIAL POSITION**

**AT 30 SEPTEMBER 2022**

	Notes	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	492,131	1,279,928	504,017	1,310,840
Right to use assets	9	7,864	20,452	8,053	20,945
Capital Spares		2,384	6,201	2,384	6,200
		<u>502,379</u>	<u>1,306,581</u>	<u>514,454</u>	<u>1,337,985</u>
<b>Current assets</b>					
Trade and other receivables	10	17,098	44,467	63,065	164,019
Inventories		9,027	23,476	8,873	23,077
Bank balances	11	35,219	91,596	10,318	26,834
		<u>61,344</u>	<u>159,539</u>	<u>82,256</u>	<u>213,930</u>
<b>TOTAL ASSETS</b>		<u><b>563,723</b></u>	<u><b>1,466,120</b></u>	<u><b>596,710</b></u>	<u><b>1,551,915</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	12	146,260	380,390	146,260	380,390
Legal reserve	13	12,997	33,802	12,997	33,802
Cumulative changes in fair values	15	(5,017)	(13,051)	(22,651)	(58,912)
Retained earnings		86,889	225,981	66,293	172,416
<b>Total equity</b>		<u><b>241,129</b></u>	<u><b>627,122</b></u>	<u><b>202,899</b></u>	<u><b>527,696</b></u>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	14	200,971	522,682	217,232	564,971
Fair value of derivative financial instruments	15	4,278	11,127	18,265	47,502
Provision for asset retirement obligation		5,059	13,159	4,876	12,683
Deferred tax liability		41,065	106,801	35,645	92,705
Lease liability		7,831	20,366	8,010	20,835
Employees' end of service benefits		31	80	47	122
		<u>259,235</u>	<u>674,215</u>	<u>284,075</u>	<u>738,818</u>
<b>Current liabilities</b>					
Interest bearing loans and borrowings	14	33,348	86,732	31,700	82,444
Dividend payable	12	-	-	2,413	6,276
Accounts payable and accruals	16	27,879	72,505	66,732	173,555
Fair value of derivative financial instruments	15	1,625	4,227	8,383	21,806
Finance lease liabilities		507	1,319	508	1,320
Short term borrowing		-	-	-	-
		<u>63,359</u>	<u>164,783</u>	<u>109,736</u>	<u>285,401</u>
<b>Total liabilities</b>		<u><b>322,594</b></u>	<u><b>838,998</b></u>	<u><b>393,811</b></u>	<u><b>1,024,219</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>563,723</b></u>	<u><b>1,466,120</b></u>	<u><b>596,710</b></u>	<u><b>1,551,915</b></u>



Director



Director

The attached notes 1 to 20 form part of these financial statements

## PHOENIX POWER COMPANY SAOG

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	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 2021		146,260	11,311	(34,594)	57,187	180,164
Loss for the period				-	21,384	21,384
Other comprehensive income / (expense)		-		6,822	-	6,822
Total comprehensive income / (expense)		-	-	6,822	21,384	28,206
Dividend Payable		-	-	-	(3,657)	(3,657)
Balance at 30 September 2021		146,260	11,311	(27,772)	74,914	204,713
<b>Balance at 1 January 2022</b>	12	<b>146,260</b>	<b>12,997</b>	<b>(22,651)</b>	<b>66,293</b>	<b>202,899</b>
<b>Loss for the period</b>		-	-	-	<b>24,253</b>	<b>24,253</b>
<b>Other comprehensive income / (expense)</b>		-	-	<b>17,634</b>	-	<b>17,634</b>
<b>Total comprehensive income / (expense)</b>		-	-	<b>17,634</b>	<b>24,253</b>	<b>41,887</b>
<b>Dividend Payable</b>					<b>(3,657)</b>	<b>(3,657)</b>
<b>Balance at 30 September 2022</b>		<b>146,260</b>	<b>12,997</b>	<b>(5,017)</b>	<b>86,889</b>	<b>241,129</b>

The attached notes 1 to 20 form part of these financial statements

## PHOENIX POWER COMPANY SAOG

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Note	Share capital US\$'000	Legal reserve US\$'000	Cumulative changes in fair values US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2021		380,390	29,417	(89,973)	148,734	468,568
Loss for the period		-	-	-	55,614	55,614
Other comprehensive income / (expense)		-	-	17,745	-	17,745
Total comprehensive income/ (expense)		-	-	17,745	55,614	73,359
Dividend Payable		-	-	-	(9,510)	(9,510)
Balance at 30 June 2021		380,390	29,417	(72,228)	194,838	532,417
<b>Balance at 1 January 2022</b>	<b>12</b>	<b>380,390</b>	<b>33,802</b>	<b>(58,912)</b>	<b>172,416</b>	<b>527,696</b>
<b>Loss for the period</b>		-	-	-	<b>63,075</b>	<b>63,075</b>
<b>Other comprehensive income / (expense)</b>		-	-	<b>45,861</b>	-	<b>45,861</b>
<b>Total comprehensive income/ (expense)</b>		-	-	<b>45,861</b>	<b>63,075</b>	<b>108,936</b>
<b>Dividend Payable</b>		-	-	-	<b>(9,510)</b>	<b>(9,510)</b>
<b>Balance at 30 June 2022</b>		<b>380,390</b>	<b>33,802</b>	<b>(13,051)</b>	<b>225,981</b>	<b>627,122</b>

The attached notes 1 to 20 form part of these financial statements

# PHOENIX POWER COMPANY SAOG

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
<b>OPERATING ACTIVITIES</b>					
Profit before tax		26,561	69,077	23,321	60,653
Depreciation	8,9	12,089	31,440	12,088	31,436
Interest – term loans and swap settlements		9,076	23,605	10,107	26,287
Amortisation of deferred finance cost		541	1,406	606	1,575
Interest expense for lease liability		300	781	304	791
Asset retirement obligation - unwinding of discount		183	476	174	453
Accruals for employee's end of service benefits		8	20	2	4
		<b>48,758</b>	<b>126,805</b>	46,602	121,199
<b>Working capital changes:</b>					
Trade and other receivables		45,968	119,552	12	31
Accounts payable and accruals		(41,812)	(108,738)	(1,269)	(3,297)
Inventories		(153)	(399)	28	72
<b>Cash generated from operating activities</b>		<b>52,761</b>	<b>137,220</b>	45,373	118,005
Interest – term loans and swap settlements		(6,119)	(15,915)	(6,829)	(17,760)
Employees' end of service benefit paid		(24)	(62)	-	-
<b>Net cash generated from operating activities</b>		<b>46,618</b>	<b>121,243</b>	38,544	100,245
<b>INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment		(14)	(36)	-	-
Investment in short term deposits		(12,304)	(32,000)	(8,882)	(23,100)
Net cash used in investing activities		(12,318)	(32,036)	(8,882)	(23,100)
<b>FINANCING ACTIVITIES</b>					
Dividend paid		(6,070)	(15,786)	(5,704)	(14,835)
Repayment of interest bearing loans and borrowings		(15,152)	(39,407)	(14,803)	(38,499)
Working Capital Facility		-	-	-	-
Lease payment		(481)	(1,252)	(507)	(1,319)
<b>Net cash (used in) in financing activities</b>		<b>(21,703)</b>	<b>(56,445)</b>	<b>(21,014)</b>	<b>(54,653)</b>
<b>INCREASE (USED IN) IN CASH AND CASH EQUIVALENTS</b>					
		12,597	32,762	8,648	22,492
Cash and cash equivalents at the beginning of the period		10,318	26,834	5,640	14,669
<b>CASH AND CASH EQUIVALENTS AT 30 JuneSep</b>	11	<b>22,915</b>	<b>59,596</b>	<b>14,288</b>	<b>37,161</b>

The attached notes 1 to 20 form part of these financial statements

# PHOENIX POWER COMPANY SAOG

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## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 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.

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 Ministry of Oil and Gas of the Government of the Sultanate of Oman (MOG) 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

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## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 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 2021. These financials includes unaudited figures for 30<sup>th</sup> September 2022 and 2021 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 at and for the year ended 31 December 2021.



# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 3 OPERATING REVENUE

	30 SEPTEMBER 2022 RO'000	30 SEPTEMBER 2022 US\$'000	30 SEPTEMBER 2021 RO'000	30 SEPTEMBER 2021 US\$'000
Capacity charges	59,555	154,890	58,988	153,414
Energy charges	63,711	165,698	63,414	164,927
	<u>123,266</u>	<u>320,588</u>	<u>122,402</u>	<u>318,341</u>

### 4 OPERATING COSTS

	30 SEPTEMBER 2022 RO'000	30 SEPTEMBER 2022 US\$'000	30 SEPTEMBER 2021 RO'000	30 SEPTEMBER 2021 US\$'000
Gas consumption	61,171	159,092	60,935	158,479
Depreciation (note 8 a,b)	12,084	31,428	12,084	31,428
Operation and maintenance cost	5,892	15,323	7,478	19,448
Long term services agreement	5,427	14,115	5,521	14,360
Insurance and other cost	867	2,256	719	1,869
Connection and license fee	72	188	80	208
	<u>85,513</u>	<u>222,402</u>	<u>86,817</u>	<u>225,792</u>

### 5 GENERAL AND ADMINISTRATIVE EXPENSES

	30 SEPTEMBER 2022 RO'000	30 SEPTEMBER 2022 US\$'000	30 SEPTEMBER 2021 RO'000	30 SEPTEMBER 2021 US\$'000
Staff costs and other benefits	439	1,141	445	1,157
Legal and professional charges	138	358	127	329
Other expenses	275	716	275	714
Office rent	22	58	30	79
Depreciation (note 8)	4	11	3	8
	<u>878</u>	<u>2,284</u>	<u>880</u>	<u>2,287</u>

## PHOENIX POWER COMPANY SAOG

### NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

#### 6 FINANCE COSTS (NET)

	30 JUNE 2022 RO'000	30 JUNE 2022 US\$'000	30 JUNE 2021 RO'000	30 JUNE 2021 US\$'000
Interest and swap settlements	9,076	23,605	10,107	26,287
Amortisation of deferred finance cost	541	1,406	606	1,575
Asset retirement obligation - unwinding of discount	183	476	174	453
Interest expense for lease liability	300	781	304	791
DSRA LC Commission & WC fee	111	288	105	274
Exchange (Gain) / loss	127	331	90	233
Interest Income	(24)	(62)	(2)	(4)
	<u>10,314</u>	<u>26,825</u>	<u>11,384</u>	<u>29,609</u>

#### 7 INCOME TAX

Income tax represents deferred tax expense for the period.

## PHOENIX POWER COMPANY SAOG

### NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

#### 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
<b>Cost</b>						
At 1 January 2022	83,876	518,087	10,809	3,249	246	616,267
Additions during the period	-	-	-	-	14	14
At 30 September 2022	<u>83,876</u>	<u>518,087</u>	<u>10,809</u>	<u>3,249</u>	<u>260</u>	<u>616,281</u>
<b>Accumulated depreciation</b>						
At 1 January 2022	14,800	91,406	5,089	716	239	112,250
Charge during the period	1,573	9,714	541	68	4	11,900
At 30 September 2022	<u>16,373</u>	<u>101,120</u>	<u>5,630</u>	<u>784</u>	<u>243</u>	<u>124,150</u>
<b>Net book value</b>						
At 30 September 2022	<u>67,503</u>	<u>416,967</u>	<u>5,179</u>	<u>2,465</u>	<u>17</u>	<u>492,131</u>
At 31 December 2021	<u>69,076</u>	<u>426,681</u>	<u>5,720</u>	<u>2,533</u>	<u>7</u>	<u>504,017</u>

## PHOENIX POWER COMPANY SAOG

### NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

#### 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 2022	218,142	1,347,432	28,113	8,450	637	1,602,774
Additions during the period	-	-	-	-	36	36
At 30 September 2022	<b>218,142</b>	<b>1,347,432</b>	<b>28,113</b>	<b>8,450</b>	<b>673</b>	<b>1,602,810</b>
<b>Accumulated depreciation</b>						
At 1 January 2022	38,489	237,732	13,227	1,866	620	291,934
Charge during the period	4,090	25,265	1,406	176	11	30,948
At 30 September 2022	<b>42,579</b>	<b>262,997</b>	<b>14,633</b>	<b>2,042</b>	<b>631</b>	<b>322,882</b>
<b>Net book value</b>						
At 30 September 2022	<b>175,563</b>	<b>1,084,435</b>	<b>13,480</b>	<b>6,408</b>	<b>42</b>	<b>1,279,928</b>
At 31 December 2021	<b>179,653</b>	<b>1,109,700</b>	<b>14,886</b>	<b>6,584</b>	<b>17</b>	<b>1,310,840</b>

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 9 RIGHT TO USE ASSETS

<b>Cost</b>	<b>Land Lease RO '000</b>	<b>Connection Fee RO '000</b>	<b>Total RO '000</b>
Opening balance	1,814	6,995	8,809
Additions during the period	-	-	-
At 30 September 2022	<b>1,814</b>	<b>6,995</b>	<b>8,809</b>
<b>Accumulated depreciation</b>			
Opening balance	156	600	756
Charge during the period	39	150	189
At 30 September 2022	<b>195</b>	<b>750</b>	<b>945</b>
At 30 September 2022			
At 30 June 2022	<b>1,619</b>	<b>6,245</b>	<b>7,864</b>
At 31 December 2021	1,658	6,395	8,053

### 9 RIGHT TO USE ASSETS

<b>Cost</b>	<b>Land Lease US\$'000</b>	<b>Connection Fee US\$'000</b>	<b>Total US\$'000</b>
Opening balance	4,718	18,193	22,911
Additions during the period	-	-	-
At 30 September 2022	<b>4,718</b>	<b>18,193</b>	<b>22,911</b>
<b>Accumulated depreciation</b>			
Opening balance	405	1,562	1,967
Charge during the period	101	391	492
At 30 September 2022	<b>506</b>	<b>1,953</b>	<b>2,459</b>
<b>Net book value</b>			
At 30 September 2022	<b>4,212</b>	<b>16,240</b>	<b>20,452</b>
At 31 December 2021	4,313	16,632	20,945

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 10 TRADE AND OTHER RECEIVABLES

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
Trade receivables	16,127	41,942	62,555	162,692
Other receivables	437	1,136	360	936
Prepayments	534	1,389	150	391
	<u>17,098</u>	<u>44,467</u>	<u>63,065</u>	<u>164,019</u>

### 11 BANK BALANCES

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
Cash and Bank balances	22,915	59,596	10,318	26,834
Short Term Deposits	12,304	32,000	-	-
	<u>35,219</u>	<u>91,596</u>	<u>10,318</u>	<u>26,834</u>

### 12 SHARE CAPITAL

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 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>

### Dividend

Pursuant to shareholders' resolution dated 22 March 2021, the Board of Directors in their meetings held on 1 July 2021 and 25 October 2021 announced cash dividend of 2.50 baizas per share and 1.65 baizas per share, respectively for the year ended 31 December 2020. Accordingly, dividend amounting to US\$ 9.5 million (RO 3.7 million) was paid in July 2021 and US\$ 6.3 million (RO 2.4 million) is payable as of 31 December 2021 which was paid subsequently in January 2022.

Shareholders at the Annual General Meeting ("AGM"), on 17 March 2022 authorized the Board of Directors to determine and distribute cash dividend to the shareholders of the Company which will be paid in July 2022 and January 2023 for the year ended 31 December 2021, provided that the aggregate amount of such dividend shall not exceed 4.50 baizas per share.

The board of directors was resolved on 21 April 2022 to distribute cash dividend of Baizas 2.50 per share, out of the retained earnings as per the audited financial statements for the financial year ended 31 December 2021 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 2022.

### 13 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.

# PHOENIX POWER COMPANY SAOG

## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 14 INTEREST BEARING LOANS AND BORROWINGS

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>RO'000</b>	<b>US\$'000</b>	RO'000	US\$'000
Secured term loan from commercial banks	69,397	180,486	73,842	192,046
Secured term loan from Japan Bank for International Cooperation	132,485	344,565	140,970	366,632
Secured term loan under NEXI facilities	34,698	90,243	36,921	96,023
	<b>236,580</b>	<b>615,294</b>	251,733	654,701
Less : Deferred finance cost	(2,261)	(5,880)	(2,801)	(7,286)
	<b>234,319</b>	<b>609,414</b>	248,932	647,415
Less : Current portion of loans	(33,348)	(86,732)	(31,700)	(82,444)
Non-current portion of loans	<b>200,971</b>	<b>522,682</b>	217,232	564,971

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 LIBOR + 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.

### 15 DERIVATIVE FINANCIAL INSTRUMENTS

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>RO'000</b>	<b>US\$'000</b>	RO'000	US\$'000
Cumulative changes in fair value:				
Interest rate swap agreements	(4,111)	(10,692)	18,904	49,165
Forward foreign exchange contracts	10,014	26,046	7,744	20,143
Fair value of derivatives	<b>5,903</b>	<b>15,354</b>	26,648	69,308
Less : Income tax effect	(886)	(2,303)	(3,997)	(10,396)
	<b>5,017</b>	<b>13,051</b>	22,651	58,912

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

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>RO'000</b>	<b>US\$'000</b>	RO'000	US\$'000
Non-current portion	4,278	11,127	18,265	47,502
Current portion	1,625	4,227	8,383	21,806
	<b>5,903</b>	<b>15,354</b>	26,648	69,308

## PHOENIX POWER COMPANY SAOG

### NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

#### 16 ACCOUNTS PAYABLE AND ACCRUALS

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
Trade accounts payable	8,406	21,862	55,463	144,248
Amounts due to related parties (note 17)	2,249	5,849	2,902	7,548
Accrued expenses	17,224	44,794	8,367	21,759
	<u>27,879</u>	<u>72,505</u>	<u>66,732</u>	<u>173,555</u>

#### 17 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 consider to be comparable with those adopted for arm's length transactions with third parties. Transactions with related parties are as follows:

##### Due to related parties

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
Phoenix Operation and Maintenance Company LLC (POMCo)	<u>2,249</u>	<u>5,849</u>	<u>2,902</u>	<u>7,548</u>

##### Income statement transactions

	2022 RO'000	2022 US\$'000	2021 RO'000	2021 US\$'000
Shareholders	<u>52</u>	<u>136</u>	<u>52</u>	<u>136</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>5,892</u>	<u>15,323</u>	<u>7,478</u>	<u>19,448</u>

#### 18 COMMITMENTS

The Company has entered into agreements for purchase of natural gas with the Ministry of Oil and Gas, 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 LLC Oman, operation and maintenance of the Sur IPP Project with Phoenix Operation and Maintenance Company LLC.



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## NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

### 19 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 2021.

### 20 COMPARATIVE FIGURES

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