

PHOENIX POWER COMPANY SAOG

UNAUDITED FINANCIAL STATEMENTS

30 September 2025

PHOENIX POWER COMPANY SAOG

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Notes	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Operating revenue	3	143,848	374,118	137,305	357,099
Operating costs	4	(105,404)	(274,133)	(99,743)	(259,409)
Operating Profit / (Loss)		38,444	99,985	37,562	97,690
Other Income	6(a)	806	2,096	-	-
General and administrative expenses	5	(1,290)	(3,356)	(1,170)	(3,041)
Finance costs	6	(6,455)	(16,788)	(8,045)	(20,924)
Finance Income	6	264	687	420	1,093
Profit / (Loss) before tax		31,769	82,624	28,767	74,818
Income tax	7	(3,406)	(8,858)	(2,860)	(7,437)
PROFIT / (LOSS) FOR THE PERIOD		28,363	73,766	25,907	67,381
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		673	1,750	(558)	(1,450)
Income tax effect		(101)	(263)	84	218
OTHER COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD		572	1,487	(474)	(1,232)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		28,935	75,253	25,433	66,149
BASIC EARNINGS PER SHARE (RO/US\$)		0.019	0.05	0.018	0.05

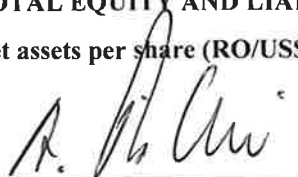
The attached notes 1 to 22 form part of these financial statements

PHOENIX POWER COMPANY SAOG

STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2025

		30 September 2025 RO'000	30 September 2025 US\$'000	31 December 2024 RO'000	31 December 2024 US\$'000
	Notes				
ASSETS					
Non-current assets					
Property, plant and equipment	8	444,578	1,156,246	456,486	1,187,215
Right to use assets	9	7,162	18,627	7,366	19,157
Derivative financial instruments	15	1,258	3,272	1,654	4,301
		<u>452,998</u>	<u>1,178,145</u>	<u>465,506</u>	<u>1,210,673</u>
Current assets					
Trade and other receivables	10	20,600	53,577	8,828	22,956
Inventories	11	11,560	30,065	11,517	29,952
Bank balances	12	37,818	98,356	21,263	55,300
Derivative financial instruments	15	-	-	1,439	3,743
		<u>69,978</u>	<u>181,998</u>	<u>43,047</u>	<u>111,951</u>
TOTAL ASSETS		<u>522,976</u>	<u>1,360,143</u>	<u>508,553</u>	<u>1,322,624</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	13(a)	146,260	380,390	146,260	380,390
Legal reserve	13(c)	19,525	50,781	19,525	50,781
Cumulative changes in fair values	15	(1,859)	(4,835)	(2,431)	(6,322)
Retained earnings		<u>126,355</u>	<u>328,620</u>	<u>103,113</u>	<u>268,168</u>
Total equity		<u>290,281</u>	<u>754,956</u>	<u>266,467</u>	<u>693,017</u>
Non-current liabilities					
Interest bearing loans and borrowings	14	94,497	245,766	112,138	291,646
Fair value of derivative financial instruments	15	3,445	8,960	4,352	11,319
Provision for asset retirement obligation	16	5,857	15,233	5,645	14,682
Deferred tax liability		46,190	120,130	46,089	119,867
Finance Lease liability	18	7,930	20,625	7,740	20,132
Employees' end of service benefits		4	10	1	2
		<u>157,923</u>	<u>410,724</u>	<u>175,965</u>	<u>457,648</u>
Current liabilities					
Interest bearing loans and borrowings	14	36,572	95,117	36,572	95,117
Dividend payable	13(b)	-	-	2,925	7,608
Accounts payable and accruals	17	34,213	88,977	20,781	54,040
Fair value of derivative financial instruments	15	-	-	1,601	4,163
Finance lease liabilities	18	529	1,375	529	1,375
Provision for income tax		<u>3,458</u>	<u>8,994</u>	<u>3,713</u>	<u>9,656</u>
		<u>74,772</u>	<u>194,463</u>	<u>66,121</u>	<u>171,959</u>
Total liabilities		<u>232,695</u>	<u>605,187</u>	<u>242,086</u>	<u>629,607</u>
TOTAL EQUITY AND LIABILITIES		<u>522,976</u>	<u>1,360,143</u>	<u>508,553</u>	<u>1,322,624</u>
Net assets per share (RO/US\$)		<u>0.198</u>	<u>0.52</u>	<u>0.182</u>	<u>0.474</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 2025

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 2024	146,260	17,225	(2,209)	90,093	251,369
Net profit/loss for the period	-	-	-	25,907	25,907
Other comprehensive income / (expense)	-	-	(474)	-	(474)
Total comprehensive income / (expense)	-	-	(474)	25,907	25,433
Dividend Paid	-	-	-	(4,754)	(4,754)
Balance at 30 September 2024	146,260	17,225	(2,683)	111,246	272,048
Balance at 1 January 2025	146,260	19,525	(2,431)	103,111	266,465
Net profit/loss for the period	-	-	-	28,363	28,363
Other comprehensive income / (expense)	-	-	572	-	572
Total comprehensive income / (expense)	-	-	572	28,363	28,935
Dividend Payable	-	-	-	(5,119)	(5,119)
Balance at 30 September 2025	146,260	19,525	(1,859)	126,355	290,281

PHOENIX POWER COMPANY SAOG

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	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 2024	380,390	44,799	(5,746)	234,305	653,748
Net profit/loss for the period	-	-	-	67,381	67,381
<i>Other comprehensive income</i>	-	-	(1,232)	-	(1,232)
Total comprehensive income	-	-	(1,232)	67,381	66,149
Dividend Paid	-	-	-	(12,363)	(12,363)
Balance on 30 September 2024	380,390	44,799	(6,978)	289,323	707,534
Balance at 1 January 2025	380,390	50,781	(6,322)	268,168	693,017
Net profit /loss for the period	-	-	-	73,766	73,766
<i>Other comprehensive income</i>	-	-	1,487	-	1,487
Total comprehensive income	-	-	1,487	73,766	75,253
Dividend Payable	-	-	-	(13,314)	(13,314)
Balance at 3 September 2025	380,390	50,781	(4,835)	328,620	754,956

PHOENIX POWER COMPANY SAOG

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Notes	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
OPERATING ACTIVITIES					
Profit before tax		31,769	82,624	28,767	74,818
Depreciation	8,9	12,112	31,499	12,113	31,501
Interest – term loans and swap settlements		5,522	14,361	7,025	18,271
Amortisation of deferred finance cost		313	813	393	1,021
Interest expense for lease liability		294	764	295	768
Asset retirement obligation - unwinding of discount		212	551	201	524
Accruals for employee's end of service benefits		4	10	6	16
		<u>50,226</u>	<u>130,622</u>	<u>48,800</u>	<u>126,919</u>
Working capital changes:					
Trade and other receivables		(11,774)	(30,621)	(10,119)	(26,317)
Accounts payable and accruals		11,744	30,547	10,408	27,068
Inventories		(43)	(113)	(118)	(308)
Cash generated from operating activities		<u>50,153</u>	<u>130,435</u>	<u>48,971</u>	<u>127,362</u>
Interest – term loans and swap settlements		(3,835)	(9,974)	(4,835)	(12,575)
Employees' end of service benefit paid		-	-	-	-
Tax Paid		(3,660)	(9,519)	(353)	(918)
Net cash generated from operating activities		<u>42,658</u>	<u>110,942</u>	<u>43,783</u>	<u>113,869</u>
INVESTING ACTIVITIES					
Additions to property, plant and equipment		-	-	-	-
Investment in short term deposits		(13,995)	(36,397)	(11,458)	(29,800)
Net cash used in investing activities		<u>(13,995)</u>	<u>(36,397)</u>	<u>(11,458)</u>	<u>(29,800)</u>
FINANCING ACTIVITIES					
Dividend paid		(8,044)	(20,921)	(7,679)	(19,971)
Repayment of interest bearing loans and borrowings		(17,953)	(46,693)	(17,723)	(46,094)
Working Capital Facility		-	-	-	-
Lease payment		(105)	(272)	(518)	(1,347)
Net cash (used in) in financing activities		<u>(26,102)</u>	<u>(67,886)</u>	<u>(25,920)</u>	<u>(67,412)</u>
INCREASE (USED IN) IN CASH AND CASH EQUIVALENTS		<u>2,561</u>	<u>6,659</u>	<u>6,405</u>	<u>16,657</u>
Cash and cash equivalents at the beginning of the period		13,456	34,997	12,700	33,031
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	12	<u>16,017</u>	<u>41,656</u>	<u>19,105</u>	<u>49,688</u>

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

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

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 Energy Global Gmbh & Co.KG 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; JERA Power B.V; Nebras Energy (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; JERA Power B.V; Nebras Energy (Q.S.C.); and Middle East Invetmnet LLC.

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

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 2024. These financials includes unaudited figures for 30 September 2025 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 2024.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

3 OPERATING REVENUE

	30 September 2025 RO'000	30 September 2025 US\$'000	30 September 2024 RO'000	30 September 2024 US\$'000
Capacity charges	60,781	158,077	60,337	156,923
Energy charges	83,068	216,041	76,968	200,176
	<u>143,849</u>	<u>374,118</u>	<u>137,305</u>	<u>357,099</u>

4 OPERATING COSTS

	30 September 2025 RO'000	30 September 2025 US\$'000	30 September 2024 RO'000	30 September 2024 US\$'000
Gas consumption	79,585	206,983	73,679	191,622
Depreciation (note 8-9)	12,084	31,428	12,084	31,428
Operation and maintenance cost	6,707	17,444	7,016	18,246
Contractual services maintenance cost	5,861	15,242	5,958	15,496
Insurance and other costs	1,100	2,860	944	2,455
Connection and license fee	68	176	62	162
	<u>105,405</u>	<u>274,133</u>	<u>99,743</u>	<u>259,409</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2025

5 GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2025 RO '000	30 September 2025 US \$'000	30 September 2024 RO '000	30 September 2024 US \$'000
Staff costs and other benefits	664	1,727	573	1,489
Legal and professional charges	135	352	154	400
Office related expenses	18	46	12	31
Depreciation (note 8-9)	28	73	28	73
Other expenses	445	1,158	403	1,048
	<u>1,290</u>	<u>3,356</u>	<u>1,170</u>	<u>3,041</u>

6 FINANCE COSTS

	30 September 2025 RO'000	30 September 2025 US\$'000	30 September 2024 RO'000	30 September 2024 US\$'000
Interest and swap settlements	5,522	14,361	7,025	18,271
Amortisation of deferred finance cost	313	813	393	1,021
Asset retirement obligation - unwinding of discount	212	551	201	524
Interest expense for lease liability	294	764	295	768
Debt service commission	66	171	57	148
Exchange loss / (Gain)	49	128	74	192
	<u>6,456</u>	<u>16,788</u>	<u>8,045</u>	<u>20,924</u>

FINANCE INCOME

Finance Income	<u>264</u>	<u>687</u>	<u>420</u>	<u>1,093</u>
	<u>264</u>	<u>687</u>	<u>420</u>	<u>1,093</u>

6 (a) OTHER INCOME

Other Income represents the tax reimbursement received from PWP in connection with Change of Law claims.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2025

7 INCOME TAX

Recognized in the income statement in the current year

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Income tax expense	<u>(3,406)</u>	<u>(8,858)</u>	<u>(2,860)</u>	<u>(7,437)</u>
	<u>(3,406)</u>	<u>(8,858)</u>	<u>(2,860)</u>	<u>(7,437)</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	Tot: RO'000
Cost						
At 1 January 2025	83,876	518,087	10,809	3,249	296	616,31
At 30 September 2025	<u>83,876</u>	<u>518,087</u>	<u>10,809</u>	<u>3,249</u>	<u>296</u>	<u>616,31</u>
Accumulated depreciation						
At 1 January 2025	20,914	130,264	7,427	986	240	159,83
Charge during the period	1,747	9,714	366	68	13	11,90
At 30 September 2025	<u>22,661</u>	<u>139,978</u>	<u>7,793</u>	<u>1,054</u>	<u>253</u>	<u>171,73</u>
Net book value						
At 30 September 2025	<u>61,215</u>	<u>378,109</u>	<u>3,016</u>	<u>2,195</u>	<u>43</u>	<u>444,57</u>
At 31 December 2024	<u>62,962</u>	<u>387,823</u>	<u>3,382</u>	<u>2,263</u>	<u>56</u>	<u>456,48</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

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 2025	218,142	1,347,432	28,113	8,450	761	1,602,898
At 30 September 2025	218,142	1,347,432	28,113	8,450	761	1,602,898
Accumulated depreciation						
At 1 January 2025	54,395	338,790	19,305	2,571	622	415,683
Charge during the period	4,544	25,264	951	177	33	30,969
At 30 September 2025	58,939	364,054	20,256	2,748	655	446,652
Net book value						
At 30 September 2025	159,203	983,378	7,857	5,702	106	1,156,246
At 31 December 2024	163,747	1,008,642	8,808	5,879	139	1,187,215

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

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 2025	<u>1,814</u>	<u>6,995</u>	<u>102</u>	<u>8,911</u>
Accumulated depreciation				
Opening balance	312	1,201	32	1,545
Charge during the period	39	150	15	204
At 30 September 2025	<u>351</u>	<u>1,351</u>	<u>47</u>	<u>1,749</u>
At 30 September 2025	<u>1,463</u>	<u>5,644</u>	<u>55</u>	<u>7,162</u>
At 31 December 2024	<u>1,502</u>	<u>5,794</u>	<u>70</u>	<u>7,366</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 2025	<u>4,718</u>	<u>18,193</u>	<u>264</u>	<u>23,175</u>
Accumulated depreciation				
Opening balance	810	3,124	84	4,018
Charge during the period	101	390	39	530
At 30 September 2025	<u>911</u>	<u>3,514</u>	<u>123</u>	<u>4,548</u>
Net book value				
At 30 September 2025	<u>3,840</u>	<u>14,809</u>	<u>154</u>	<u>18,803</u>
At 31 December 2024	<u>3,908</u>	<u>15,069</u>	<u>180</u>	<u>19,157</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

10 TRADE AND OTHER RECEIVABLES

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Trade receivables	19,478	50,657	8,076	21,005
Other receivables	144	375	586	1,523
Prepayment	979	2,545	166	428
	<u>20,601</u>	<u>53,577</u>	<u>8,828</u>	<u>22,956</u>

11 INVENTORIES

Fuel inventory	5,366	13,957	5,543	14,416
Maintenance spares	6,194	16,108	5,974	15,536
	<u>11,560</u>	<u>30,065</u>	<u>11,517</u>	<u>29,952</u>

12 BANK BALANCES

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Cash and Bank balances	16,017	41,656	13,456	34,997
Short term deposit	21,801	56,700	7,807	20,303
	<u>37,818</u>	<u>98,356</u>	<u>21,263</u>	<u>55,300</u>

13 (a) SHARE CAPITAL

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 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 18 March 24, the Board of Directors in their meetings held on 24 April 2024 and 23 October 2024 approved cash dividend of 3.25 Baisas per share and 2.0 Baisas per share, respectively for the year ended 31 December 2023. Accordingly, dividend amounting to USD 12.36 million (RO 4.75 million) was paid in July 2024 and USD 7.6 million (RO 2.92 million) is payable as of 31 December 2024 which was paid subsequently in January 2025.

Pursuant to the shareholders' resolution dated 18th March 2025, the Board of Directors proposed a cash dividend to the shareholders of the Company, which will be paid in July 2025 and January 2026 for the year ended 31st December 2024, provided that the aggregate amount of such dividend shall not exceed 5.50 baizas per share.

The board of directors resolved on 30 April 2025 to distribute cash dividend of Baizas 3.50 per share, out of the retained earnings as per the audited financial statements for the financial year ended 31 December 2024 to the shareholders of the Company who are registered in the Company's shareholders' register with the Muscat Clearing & Depository Company SAOC as on 28 July 2025.

**NOTES TO THE FINANCIAL STATEMENTS
AT 30 SEPTEMBER 2025**

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

	2025	2025	2024	2024
	RO'000	US\$'000	RO'000	US\$'000
Secured term loan from commercial banks	38,638	100,490	43,905	114,187
Secured term loan from Japan Bank for International Cooperation	73,764	191,845	83,818	217,993
Secured term loan under NEXI facilities	19,319	50,245	21,952	57,093
	131,721	342,580	149,675	389,273
Less : Unamortised transaction costs	(652)	(1,697)	(965)	(2,510)
	131,069	340,883	148,710	386,763
Less : Current portion of loans	(36,572)	(95,117)	(36,572)	(95,117)
Non-current portion of loans	94,497	245,766	112,138	291,646

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.

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NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

15 DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Positive fair value:				
Interest rate swap agreements				
Fair value of hedged	1,258	3,272	3,093	8,044
Fair value of derivatives	1,258	3,272	3,093	8,044
Less : Income tax effect	(189)	(491)	(464)	(1,207)
	1,069	2,781	2,629	6,837

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

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Non-current portion	1,258	3,272	3,093	8,044
Current portion	-	-	1,439	3,743
	1,258	3,272	4,532	11,787

Negative fair value:

Forward foreign exchange contracts

Fair value of hedged	3,445	8,960	5,953	15,482
Fair value of derivatives	3,445	8,960	5,953	15,482
Less : Income tax effect	(517)	(1,344)	(893)	(2,322)
	2,928	7,616	5,060	13,160

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

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Non-current portion	3,445	8,960	5,953	15,482
Current portion	-	-	1,601	4,163
	3,445	8,960	7,554	19,645

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NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2025

16 PROVISION FOR ASSET RETIREMENT OBLIGATION

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
As at 1 January	5,645	14,682	5,376	13,983
Unwinding of discount	212	551	269	699
As at 31 December	<u>5,857</u>	<u>15,233</u>	<u>5,645</u>	<u>14,682</u>

17 ACCOUNTS PAYABLE AND ACCRUALS

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Trade accounts payable	11,256	29,275	7,901	20,550
Amounts due to related parties (note 19)	3,010	7,828	3,400	8,842
Accrued expenses	19,947	51,874	9,480	24,648
	<u>34,213</u>	<u>88,977</u>	<u>20,781</u>	<u>54,040</u>

18 Finance Lease liabilities

	2025 RO'000	2025 US\$'000	2024 RO'000	2024 US\$'000
Land	1,661	4,319	1,706	4,438
Connection Fee	6,723	17,486	6,497	16,898
Office	75	195	66	171
	<u>8,459</u>	<u>22,000</u>	<u>8,269</u>	<u>21,507</u>
Non-current portion	7,930	20,625	7,740	20,132
Current portion	529	1,375	529	1,375
	<u>8,459</u>	<u>22,000</u>	<u>8,269</u>	<u>21,507</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 2025

Due to related parties	2025	2025	2024	2024
	RO'000	US\$'000	RO'000	US\$'000
Phoenix Operation and Maintenance Company LLC (POMCo)	<u>3,010</u>	<u>7,828</u>	<u>3,400</u>	<u>8,842</u>
Income statement transactions	2025	2025	2024	2024
	RO'000	US\$'000	RO'000	US\$'000
Shareholders	<u>49</u>	<u>128</u>	<u>49</u>	<u>128</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>6,707</u>	<u>17,444</u>	<u>7,016</u>	<u>18,246</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 2024.

22 COMPARATIVE FIGURES

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