

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS

AT 31 MARCH 2026

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:

- (ا) 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.

On 06 April 2026, the Company has signed new Power Purchase Agreement (“the new PPA”). The new PPA will commence on 1 April 2029, immediately following the expiry of the current agreement, and will remain in effect for a period of 15 years, ending on 31 March 2044.

- (ب) 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.
- (ج) Usufruct Agreement with the Government of the Sultanate of Oman for grant of Usufruct rights over the plant site for Twenty Five years.
- (د) Agreement with local and international banks for long-term loan facilities and interest rate hedge arrangements.
- (هـ) Agreement with Siemens LLC Oman for long term service contract for maintenance service of the gas turbines.
- (و) Agreement with Siemens Aktiengesellschaft for long term supply contract for supplying the spare parts of gas turbines.
- (ز) Agreement with Phoenix Operation and Maintenance Company LLC for the operation and maintenance of the Sur IPP Project.
- (ح) Agreement with Daewoo Engineering and Construction Co. Ltd for engineering, procurement and construction of the Sur IPP Project.
- (ط) 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.
- (ي) 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 31 MARCH 2026

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 (﷮), rounded to the nearest thousand. The ﷮ amounts shown in the financial statement have been translated using exchange rate of US \$ 1 = ﷮ 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 2025. These financials includes unaudited figures for 31 March 2026 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 2025.

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2026

3 OPERATING REVENUE

	31 March 2026 ₺'000	31 March 2026 US\$'000	31 March 2025 ₺'000	31 March 2025 US\$'000
Capacity charges	7,800	20,287	7,758	20,178
Energy charges	20,589	53,548	19,325	50,259
	<u>28,389</u>	<u>73,835</u>	<u>27,083</u>	<u>70,437</u>

4 OPERATING COSTS

	31 March 2026 ₺'000	31 March 2026 US\$'000	31 March 2025 ₺'000	31 March 2025 US\$'000
Gas consumption	19,520	50,768	18,379	47,800
Depreciation (note 8-9)	4,028	10,476	4,028	10,476
Operation and maintenance cost	3,372	8,769	2,278	5,925
Contractual services maintenance cost	1,371	3,566	1,589	4,133
Insurance and other costs	603	1,569	368	958
Connection and license fee	23	59	27	69
	<u>28,917</u>	<u>75,207</u>	<u>26,669</u>	<u>69,361</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2026

5 GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2026 <u>£</u> '000	31 March 2026 US \$'000	31 March 2025 <u>£</u> '000	31 March 2025 US \$'000
Staff costs and other benefits	237	617	218	568
Legal and professional charges	53	138	46	120
Office related expenses	3	7	3	9
Depreciation (note 8-9)	9	24	9	24
Other expenses	178	462	151	394
	<u>480</u>	<u>1,248</u>	<u>427</u>	<u>1,115</u>

6 FINANCE COSTS

	31 March 2026 <u>£</u> '000	31 March 2026 US\$'000	31 March 2025 <u>£</u> '000	31 March 2025 US\$'000
Interest and swap settlements	1,425	3,705	1,891	4,918
Amortisation of deferred finance cost	83	216	110	286
Asset retirement obligation - unwinding of discount	71	184	71	184
Interest expense for lease liability	94	245	96	250
Debt service commission	20	51	20	51
Exchange loss / (Gain)	36	93	(10)	(26)
	<u>1,729</u>	<u>4,494</u>	<u>2,178</u>	<u>5,663</u>

FINANCE INCOME

Finance Income	<u>68</u>	<u>178</u>	<u>87</u>	<u>226</u>
	<u>68</u>	<u>178</u>	<u>87</u>	<u>226</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 31 MARCH 2026

7 INCOME TAX

Recognized in the income statement in the current year

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Income tax expense	(1,062)	(2,763)	(1,023)	(2,660)
	<u>(1,062)</u>	<u>(2,763)</u>	<u>(1,023)</u>	<u>(2,660)</u>

8 PROPERTY, PLANT AND EQUIPMENT

	Plant Building ₹'000	Plant and Equipment ₹'000	Strategic spares ₹'000	Asset Retirement ₹'000	Other Assets ₹'000 0	Total ₹'000
Cost						
At 1 January 2026	83,876	518,087	10,809	3,249	296	616,317
At 31 March 2026	<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 2026	23,011	143,216	8,148	1,076	257	175,708
Charge during the period	699	3,238	5	23	4	3,969
At 31 March 2026	<u>23,710</u>	<u>146,454</u>	<u>8,153</u>	<u>1,099</u>	<u>261</u>	<u>179,677</u>
Net book value						
At 31 March 2026	<u>60,166</u>	<u>371,633</u>	<u>2,656</u>	<u>2,150</u>	<u>35</u>	<u>436,640</u>
At 31 December 2025	<u>60,865</u>	<u>374,871</u>	<u>2,661</u>	<u>2,173</u>	<u>39</u>	<u>440,609</u>

PHOENIX POWER COMPANY SAOG

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2026

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 2026	218,142	1,347,432	28,113	8,450	761	1,602,898
At 31 March 2026	218,142	1,347,432	28,113	8,450	761	1,602,898
Accumulated depreciation						
At 1 January 2026	59,849	372,476	21,179	2,806	666	456,976
Charge during the period	1,817	8,421	14	59	11	10,322
At 31 March 2026	61,666	380,897	21,193	2,865	677	467,298
Net book value						
At 31 March 2026	156,476	966,535	6,920	5,585	84	1,135,600
At 31 December 2025	158,293	974,956	6,934	5,644	95	1,145,922

PHOENIX POWER COMPANY SAOG
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2026,

9 RIGHT TO USE ASSETS

Cost	Land Lease ₹ '000	Connection Fee ₹ '000	PPC Office ₹ '000	Total ₹ '000
Opening balance	1,814	6,995	102	8,911
Additions during the period	-	-	-	-
At 31 March 2026	1,814	6,995	102	8,911
Accumulated depreciation				
Opening balance	363	1,401	53	1,817
Charge during the period	13	50	5	68
At 31 March 2026	376	1,451	58	1,885
At 31 March 2026	1,438	5,544	44	7,026
At 31 December 2025	1,451	5,594	49	7,094

9 RIGHT TO USE ASSETS

Cost	Land Lease US\$'000	Connection Fee US\$'000	PPC Office US\$'000	Total US\$'000
Opening balance	4,718	18,193	264	23,175
Additions during the period	-	-	-	-
At 31 March 2026	4,718	18,193	264	23,175
Accumulated depreciation				
Opening balance	945	3,645	137	4,727
Charge during the period	34	130	13	177
At 31 March 2026	979	3,775	150	4,904
Net book value				
At 31 March 2026	3,739	14,418	114	18,271
At 31 December 2025	3,773	14,548	127	18,448

PHOENIX POWER COMPANY SAOG
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2026,

10 TRADE AND OTHER RECEIVABLES

	2026 ﷼'000	2026 US\$'000	2025 ﷼'000	2025 US\$'000
Trade receivables	11,214	29,166	9,539	24,810
Other receivables	1,062	2,761	593	1,542
Prepayment	221	575	96	246
	<u>12,497</u>	<u>32,502</u>	<u>10,228</u>	<u>26,598</u>

11 INVENTORIES

Fuel inventory	5,266	13,697	5,359	13,938
Maintenance spares	6,162	16,027	6,334	16,474
	<u>11,428</u>	<u>29,724</u>	<u>11,693</u>	<u>30,412</u>

12 BANK BALANCES

	2026 ﷼'000	2026 US\$'000	2025 ﷼'000	2025 US\$'000
Cash and Bank balances	10,889	28,321	17,191	44,709
Short term deposit	6,806	17,700	1,538	4,000
	<u>17,695</u>	<u>46,021</u>	<u>18,729</u>	<u>48,709</u>

13 (a) SHARE CAPITAL

	2026 ﷼'000	2026 US\$'000	2025 ﷼'000	2025 US\$'000
Issued and fully paid up share capital	146,260	380,390	146,260	380,390

13 (b) DIVIDEND PAID, PAYABLE AND PROPOSED

Pursuant to shareholders' resolution dated 18 March 25, the Board of Directors in their meetings held on 30 April 2025 and 20 October 2025 approved cash dividend of 3.50 Baizas per share and 2.0 Baizas per share, respectively for the year ended 31 December 2024. Accordingly, dividend amounting to USD 13.31 million (﷼ 5.12 million) was paid in July 2025 and USD 7.61 million (﷼ 2.92 million) is payable as of 31 December 2025 which was paid subsequently in January 2026.

Pursuant to the shareholders' resolution dated 11th March 2026, the Board of Directors proposed a cash dividend to the shareholders of the Company, which will be paid in July 2026 and January 2027 for the year ended 31st December 2025, provided that the aggregate amount of such dividend shall not exceed 6.00 baizas per share.

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

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Secured term loan from commercial banks	33,177	86,285	33,177	86,285
Secured term loan from Japan Bank for International Cooperation	63,338	164,727	63,338	164,727
Secured term loan under NEXI facilities	16,588	43,143	16,587	43,143
	<u>113,103</u>	<u>294,155</u>	<u>113,102</u>	<u>294,155</u>
Less : Unamortised transaction costs	(477)	(1,241)	(560)	(1,457)
	<u>112,626</u>	<u>292,914</u>	<u>112,542</u>	<u>292,698</u>
Less : Current portion of loans	<u>(36,986)</u>	<u>(96,192)</u>	<u>(36,986)</u>	<u>(96,192)</u>
Non-current portion of loans	<u>75,640</u>	<u>196,722</u>	<u>75,556</u>	<u>196,506</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.

PHOENIX POWER COMPANY SAOG
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2026,

15 DERIVATIVE FINANCIAL INSTRUMENTS

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Positive fair value:				
Interest rate swap agreements				
Fair value of hedged	1,129	2,936	583	1,516
Fair value of derivatives	1,129	2,936	583	1,516
Less : Income tax effect	(169)	(440)	(87)	(227)
	960	2,496	496	1,289

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

	2026 RO'000	2026 US\$'000	2025 RO'000	2025 US\$'000
Non-current portion	1,129	2,936	97	253
Current portion	-	-	486	1,263
	1,129	2,936	583	1,516

Negative fair value:

Forward foreign exchange contracts				
Fair value of hedged	3,267	8,498	3,253	8,460
Fair value of derivatives	3,267	8,498	3,253	8,460
Less : Income tax effect	(490)	(1,275)	(488)	(1,269)
	2,777	7,223	2,765	7,191

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

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Non-current portion	3,267	8,498	(2,127)	(5,532)
Current portion	-	-	(1,126)	(2,928)
	3,267	8,498	(3,253)	(8,460)

PHOENIX POWER COMPANY SAOG
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2026,

16 PROVISION FOR ASSET RETIREMENT OBLIGATION

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
As at 1 January	5,927	15,416	5,645	14,682
Unwinding of discount	71	184	282	734
As at 31 December	<u>5,998</u>	<u>15,600</u>	<u>5,927</u>	<u>15,416</u>

17 ACCOUNTS PAYABLE AND ACCRUALS

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Trade accounts payable	6,247	16,248	6,475	16,840
Amounts due to related parties (note 19)	2,205	5,736	3,864	10,049
Accrued expenses	13,797	35,887	10,444	27,154
	<u>22,249</u>	<u>57,871</u>	<u>20,783</u>	<u>54,043</u>

18 Finance Lease liabilities

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
	0			
Land	1,595	4,148	1,680	4,370
Connection Fee	6,474	16,837	6,399	16,642
Office	45	117	45	117
	<u>8,114</u>	<u>21,102</u>	<u>8,124</u>	<u>21,129</u>
Non-current portion	7,585	19,727	7,594	19,754
Current portion	529	1,375	530	1,375
	<u>8,114</u>	<u>21,102</u>	<u>8,124</u>	<u>21,129</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:

Due to related parties

	2026 ₹'000	2026 US\$'000	2025 ₹'000	2025 US\$'000
Phoenix Operation and Maintenance Company LLC (POMCo)	<u>2,205</u>	<u>5,736</u>	<u>3,864</u>	<u>10,049</u>

PHOENIX POWER COMPANY SAOG
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2026,

Income statement transactions

	2026	2026	2025	2025
	<u>﷼'000</u>	<u>US\$'000</u>	<u>﷼'000</u>	<u>US\$'000</u>
Shareholders	<u>17</u>	<u>43</u>	<u>17</u>	<u>43</u>
Other related parties :				
Operation and Maintenance Cost (POMCo)	<u>3,372</u>	<u>8,769</u>	<u>2,278</u>	<u>5,925</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 2025.

22 COMPARATIVE FIGURES

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