

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure of presenting the Company's Directors' Report for the 3-months period ended 31 March 2023.

### Operational Highlights

The plant achieved a remarkable milestone as it crossed 4,285 lost time accident-free days at the site since inception, maintaining its excellent record of zero lost time accidents and zero environmental incidents, which reflects our continued focus on health, safety, security and environment.

The plant's operation was excellent during the period, achieving a reliability of 100%, which is one of the best reliability records in plant history. The plant delivered 34.08 GWh to the grid, corresponding to a load factor of 2.14% compared to 12.27% for 2022.

### Financial Results

	3-month-2023 RO'000s Unaudited	3-month- 2022 RO'000s Unaudited	Percentage change
<b>Revenues</b>	4,617	6,084	-24.1%
Direct costs	(4,234)	(5,734)	
<b>Gross profit</b>	383	350	9.5%
Other income	98	-	
General and administrative expenses	(209)	(179)	
<b>Profit before interest and tax</b>	272	171	59.3%
Finance costs	(1,483)	(1,678)	
Finance income	4	0	
<b>Loss before tax</b>	(1,207)	(1,507)	19.9%
Tax	(541)	(381)	

<b>Net Loss for the period</b>	(1,748)	(1,888)	7.4%
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Lower revenues and direct costs, as compared to the corresponding period of previous year were attributed mainly to lower plant load factor. The variability of the plant load influences the fuel and energy charges received from Oman Power & Water Procurement Company SAOC (“OPWP”). However, these charges are passed through to the gas supplier and the O&M service provider and hence have no material impact on the Company’s profitability. Higher gross profit was attributed mainly due to lower maintenance costs. In addition, the steady reduction in the finance costs positively contributed to better profit before tax. As a result, the net loss was 7.4% lower than the corresponding period of the previous year.

The share price was 33 Baizas at the end of March 2023.

The cash sweep will apply under the commercial loan tranche from end April 2023 as agreed in the Finance Documents. The cash sweep will impact the ability of the Company to make future dividend distributions until the last two instalments of the commercial loan tranche are fully prepaid, which is expected to continue by September 2027. As a result, the Company will only be able to make future dividend distributions between April 2023 to September 2027 if the cash sweep is eliminated, which is subject to entering into the refinancing arrangement.

### **Corporate Social Responsibility**

Striving to ensure that the Company positively impacts people and the country, the Company had allocated 50,000 OMR for the CSR initiatives for the year 2023 and is planning to undertake the following CSR activities:

Contribute 20% of its CSR budget to Oman Charitable Organization as per the Ministry of Commerce, Industry, and Investment Promotion decision number 205/2021.

Sponsor physical health initiatives in Al Batinah North Governorate in Sohar.

Sponsor the Solar Project Installation for a school in Al Dakhiliyah Governorate in Adam.

Sponsor environment friendly Initiatives such as trees planting and beach cleaning in Muscat Governorate.

### **Medium term Outlook**

All reasonable measures are taken by the management to maintain high availability and reliability levels. Any change in the power supply and demand landscape in the Sultanate has substantially no impact on the financial performance of the Company since its profitability is mainly derived from its plant availability.

## **Acknowledgement**

I would like to extend my personal thanks to all personnel associated with the operation of the power plant and the staff of the Company for their hard work and dedication, as well as to those others, such as our contractors, whose expertise has assisted us in achieving these excellent results.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Haitham Bin Tariq and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate's economy and to dedicate our achievements to the building of a strong nation.

Statement of Financial Position, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 31/03/2023	Standalone 31/03/2022	Standalone 31/12/2022
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>CONSOLIDATED AND SEPARATE</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	222,204	229,647	224,065
Right-of-use assets	2,713	2,949	2,772
Non-current derivative financial assets	1,796	0	2,312
<b>Total non-current assets</b>	<b>226,713</b>	<b>232,596</b>	<b>229,149</b>
<b>CURRENT ASSETS</b>			
<b>Current inventories</b>	<b>2,677</b>	<b>2,454</b>	<b>2,606</b>
<b>Trade and other current receivables</b>	<b>2,176</b>	<b>2,289</b>	<b>2,342</b>
<b>Cash and bank balances</b>	<b>1,744</b>	<b>1,773</b>	<b>3,442</b>
<b>Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>6,597</b>	<b>6,516</b>	<b>8,390</b>
<b>Total current assets</b>	<b>6,597</b>	<b>6,516</b>	<b>8,390</b>
<b>Total assets</b>	<b>233,310</b>	<b>239,112</b>	<b>237,539</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	67,489	67,489	67,489
Statutory reserve	8,859	7,642	8,859
<b>Other reserves</b>	<b>118</b>	<b>(2,718)</b>	<b>364</b>
Retained earnings (Accumulated losses)	31,995	25,627	33,743
<b>Total equity</b>	<b>108,461</b>	<b>98,040</b>	<b>110,455</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>NON-CURRENT PROVISIONS</b>			
<b>Non-current provisions for employee benefits</b>	<b>6</b>	<b>34</b>	<b>38</b>
Provision for abandonment and site restoration	341	411	337
<b>Total non-current provisions</b>	<b>347</b>	<b>445</b>	<b>375</b>
<b>Borrowings, non-current</b>	<b>73,777</b>	<b>90,929</b>	<b>73,626</b>
Non-current lease liabilities	2,968	3,183	3,098
Non-current derivative financial liabilities	1,658	3,199	1,884
Deferred tax liabilities	24,605	22,587	24,594
<b>Total non-current liabilities</b>	<b>103,355</b>	<b>120,343</b>	<b>103,577</b>
<b>CURRENT LIABILITIES</b>			
<b>CURRENT PROVISIONS</b>			
<b>Trade and other current payables</b>	<b>2,728</b>	<b>3,010</b>	<b>5,232</b>
<b>Borrowings, current</b>	<b>17,805</b>	<b>17,608</b>	<b>17,805</b>
Current lease liabilities	170	111	166
Current tax liabilities, current	791	0	304
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>21,494</b>	<b>20,729</b>	<b>23,507</b>
<b>Total current liabilities</b>	<b>21,494</b>	<b>20,729</b>	<b>23,507</b>
<b>Total liabilities</b>	<b>124,849</b>	<b>141,072</b>	<b>127,084</b>
<b>Total equity and liabilities</b>	<b>233,310</b>	<b>239,112</b>	<b>237,539</b>
Number of outstanding shares	674887	674887	674887
Net assets per share	160.540	149.300	163.130

Subclassifications of Assets, Liabilities and Equity, Current, Non-current	Thousands/Omani Rial/Unaudited		
	Standalone 31/03/2023	Standalone 31/03/2022	Standalone 31/12/2022
<b>SUBCLASSIFICATIONS OF ASSETS, LIABILITIES AND EQUITIES</b>			
<b>CONSOLIDATED AND SEPARATE</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>EXPLORATION AND EVALUATION ASSETS</b>			
<b>INVESTMENT PROPERTIES</b>			
<b>INVESTMENT PROPERTIES AT COST</b>			
<b>INVESTMENT PROPERTIES AT FAIR VALUE</b>			
<b>INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD</b>			
<b>OTHER CURRENT NON-FINANCIAL ASSETS</b>			
<b>CURRENT ASSETS</b>			
<b>INVENTORIES</b>			
Other inventories	2,677	2,454	2,606
<b>Total current inventories</b>	<b>2,677</b>	<b>2,454</b>	<b>2,606</b>
<b>TRADE AND OTHER CURRENT RECEIVABLES</b>			
Accounts receivables	1,733	1,937	1,855
Receivables due from related parties	18	52	15
<b>PREPAYMENTS AND ACCRUED INCOME</b>			
Prepayments	201	189	316
Advances	4	5	0
<b>Total prepayments and accrued income</b>	<b>205</b>	<b>194</b>	<b>316</b>
Other receivables	220	106	156
<b>Total trade and other current receivables</b>	<b>2,176</b>	<b>2,289</b>	<b>2,342</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>CASH</b>			
Cash on hand	0	0	0
Balances with banks	1,552	581	3,250
<b>Total cash</b>	<b>1,552</b>	<b>581</b>	<b>3,250</b>
<b>CASH EQUIVALENTS</b>			
<b>Total cash and cash equivalents</b>	<b>1,552</b>	<b>581</b>	<b>3,250</b>

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 Apr 2023

Short-term deposits, not classified as cash equivalents	192	1,192	192
<b>Total cash and bank balances</b>	<b>1,744</b>	<b>1,773</b>	<b>3,442</b>
<b>OTHER CURRENT NON-FINANCIAL ASSETS</b>			
<b>EQUITY</b>			
<b>RESERVES</b>			
Hedge reserve	118	(2,718)	364
<b>Total reserves</b>	<b>118</b>	<b>(2,718)</b>	<b>364</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS</b>			
Employee End of Term Benefits, non current	6	34	38
<b>Total Non-current provisions for employee benefits</b>	<b>6</b>	<b>34</b>	<b>38</b>
<b>BORROWINGS, NON CURRENT</b>			
Borrowings from banks and other financial institutions, non current	73,777	90,929	73,626
<b>Total Borrowings, non current</b>	<b>73,777</b>	<b>90,929</b>	<b>73,626</b>
<b>CURRENT LIABILITIES</b>			
<b>BORROWINGS, CURRENT</b>			
Borrowings from banks and other financial institutions, current	17,805	17,608	17,805
<b>Total Borrowings, current</b>	<b>17,805</b>	<b>17,608</b>	<b>17,805</b>
<b>TRADE AND OTHER CURRENT PAYABLES</b>			
Accounts payable	264	473	2,366
Payables to related parties	907	746	737
<b>ACCRUALS AND DEFERRED INCOME</b>			
Accruals	1,557	1,791	2,129
<b>Total accruals and deferred income</b>	<b>1,557</b>	<b>1,791</b>	<b>2,129</b>
<b>Total trade and other current payables</b>	<b>2,728</b>	<b>3,010</b>	<b>5,232</b>
<b>PROVISIONS FOR EMPLOYEE BENEFITS, CURRENT</b>			

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON  
27 Apr 2023

Income Statement - Nature of expenses	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2023-31/03/2023	Standalone 01/01/2022-31/03/2022
<b>PROFIT OR LOSS</b>		
<b>CONSOLIDATED AND SEPARATE</b>		
<b>PROFIT OR LOSS</b>		
Revenue	4,617	6,084
Other income	98	0
Cost of material consumed and goods sold	634	2,123
Service expenses	1,697	1,707
Employee benefits expense	109	105
Depreciation, depletion and amortisation	1,920	1,921
Other operating expenses	83	57
Profit (loss) from operating activities	272	171
Finance income	4	0
Finance costs	1,483	1,678
Profit (loss) before income tax	(1,207)	(1,507)
Income tax expense, continuing operations	541	381
Profit (loss) from continuing operations	(1,748)	(1,888)
Profit (loss) for period	(1,748)	(1,888)
<b>PROFIT (LOSS), ATTRIBUTABLE TO</b>		
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
<b>BASIC EARNINGS PER SHARE</b>		
Basic earnings (loss) per share from continuing operations	(2.590)	(2.800)
Total basic earnings (loss) per share	(2.590)	(2.800)
<b>DILUTED EARNINGS PER SHARE</b>		

Statement of comprehensive income - Net of tax	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2023-31/03/2023	Standalone 01/01/2022-31/03/2022
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>CONSOLIDATED AND SEPARATE</b>		
Net Profit / (Loss) for the Period	(1,748)	(1,888)
<b>OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS</b>		
Changes in fair value of cash flow hedges	(246)	2,960
Total other comprehensive income that will be reclassified to profit or loss	(246)	2,960
<b>OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO STATEMENT OF INCOME IN SUBSEQUENT PERIODS</b>		
Total other comprehensive income for the Period	(246)	2,960
Total comprehensive income for the Period	(1,994)	1,072
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>		

Analysis of Income and Expense, Nature of Expense	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2023-31/03/2023	Standalone 01/01/2022-31/03/2022
<b>ANALYSIS OF INCOME AND EXPENSE</b>		
<b>CONSOLIDATED AND SEPARATE</b>		
<b>REVENUE</b>		
Sale of energy	4,617	6,084
<b>LEASE REVENUE</b>		
Total revenue	4,617	6,084
<b>OTHER INCOME</b>		
Miscellaneous income	98	0
Total other income	98	0
<b>COST OF MATERIAL CONSUMED AND GOODS SOLD</b>		
Raw materials and consumables used	361	1,852
Other cost of material consumed and goods sold	273	271
Total cost of material consumed and goods sold	634	2,123
<b>SERVICE EXPENSES</b>		
Operation and maintenance expenses	1,510	1,527
Insurance expenses	168	162
Professional fees expenses	15	13
Banks and similar charges	0	1
Energy transmission charges	4	3
Communication expenses	0	1
Total service expenses	1,697	1,707
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Wages and salaries	105	101
Social security contributions	3	3
Post-employment benefit expense, defined contribution plans	1	1
Total employee benefits expense	109	105
<b>OTHER OPERATING EXPENSES</b>		
Director's remuneration and sitting fees	6	5
Head office expenses	5	4
Professional and consultants fees	5	4
Legal and professional expense	17	12
Registrations and renewals	18	18
Vehicle expenses	1	1
Miscellaneous other operating expense	31	13
Total other operating expenses	83	57

INTERIM CONDENSED FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 Apr 2023

Statement of cash flows, indirect method	Thousands/Omani Rial/Unaudited	
	Standalone 01/01/2023-31/03/2023	Standalone 01/01/2022-31/03/2022
<b>STATEMENT OF CASH FLOWS</b>		
<b>CONSOLIDATED AND SEPARATE</b>		
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Profit for the period before taxation	(1,207)	(1,507)
<b>ADJUSTMENTS TO RECONCILE PROFIT (LOSS)</b>		
Adjustments for depreciation and amortisation expense	1,920	1,921
Adjustments for increase (decrease) in employee benefit liabilities	3	2
Adjustments for finance costs	1,483	1,678
Adjustments for finance income	4	0
Adjustments for losses (gains) on disposal of other non-current assets	0	(1)
Other adjustments for non-cash items	(98)	0
<b>Total adjustments to reconcile profit (loss)</b>	<b>3,304</b>	<b>3,600</b>
<b>Cash flows from (used in) operations before changes in working capital</b>	<b>2,097</b>	<b>2,093</b>
<b>WORKING CAPITAL CHANGES</b>		
Adjustments for decrease (increase) in inventories	(70)	35
Adjustment for decrease (increase) in trade and other receivables	269	11,892
Adjustments for increase (decrease) in trade and other payables	(2,770)	(11,920)
Adjustments for decrease (increase) in due from related parties	(3)	(39)
Adjustments for increase (decrease) in due to related parties	170	284
<b>Total adjustments to working capital changes</b>	<b>(2,404)</b>	<b>252</b>
<b>Net cash flows from (used in) operations</b>	<b>(307)</b>	<b>2,345</b>
Employees end of service benefits paid	(36)	0
<b>Net cash flows from (used in) operating activities</b>	<b>(343)</b>	<b>2,345</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Proceeds from sales of property, plant and equipment	0	3
Purchase of property, plant and equipment	0	17
Interest received	2	0
<b>Net cash flows from (used in) investing activities</b>	<b>2</b>	<b>(14)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Payments of lease liabilities	126	122
Interest paid	1,231	1,362
Other inflows (outflows) of cash, classified as financing activities	0	(1,075)
<b>Net cash flows from (used in) financing activities</b>	<b>(1,357)</b>	<b>(2,559)</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>(1,698)</b>	<b>(228)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,698)</b>	<b>(228)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,250</b>	<b>809</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,552</b>	<b>581</b>

Statement of changes in equity	Share Capital	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	Retained earnings (accumulated Losses)	Thousands/Omani Rial/Unaudited	
				Statutory reserve	Standalone
				01/01/2023-31/03/2023	01/01/2023-31/03/2023
<b>STATEMENT OF CHANGES IN EQUITY</b>					
<b>STATEMENT OF CHANGES IN EQUITY</b>					
Equity at beginning of period (before adjustments)	67,489	364	33,743	8,859	110,455
Equity at beginning of period (after adjustments)	<b>67,489</b>	<b>364</b>	<b>33,743</b>	<b>8,859</b>	<b>110,455</b>
<b>CHANGES IN EQUITY</b>					
<b>COMPREHENSIVE INCOME</b>					
Net Profit / (Loss) for the Period			(1,748)		(1,748)
Other comprehensive income			(246)		(246)
Total comprehensive income			(1,748)		(1,994)
Total increase (decrease) in equity			(246)		(1,994)
Equity at end of period	<b>67,489</b>	<b>118</b>	<b>31,995</b>	<b>8,859</b>	<b>108,461</b>

Statement of changes in equity	Share Capital	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	Retained earnings (accumulated Losses)	Thousands/Omani Rial/Unaudited	
				Statutory reserve	Standalone
				01/01/2022-31/03/2022	01/01/2022-31/03/2022
<b>STATEMENT OF CHANGES IN EQUITY</b>					
<b>STATEMENT OF CHANGES IN EQUITY</b>					
Equity at beginning of period (before adjustments)	67,489	(5,678)	27,515	7,642	96,968
Equity at beginning of period (after adjustments)	<b>67,489</b>	<b>(5,678)</b>	<b>27,515</b>	<b>7,642</b>	<b>96,968</b>
<b>CHANGES IN EQUITY</b>					
<b>COMPREHENSIVE INCOME</b>					
Net Profit / (Loss) for the Period			(1,888)		(1,888)
Other comprehensive income		2,960			2,960
Total comprehensive income		2,960	(1,888)		1,072
Total increase (decrease) in equity		2,960	(1,888)		1,072
Equity at end of period	<b>67,489</b>	<b>(2,718)</b>	<b>25,627</b>	<b>7,642</b>	<b>98,040</b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 1 Legal status and principal activities

Al Batinah Power Company (the "Company") was registered as a closed Omani Joint Stock Company ("SAOC") on 2 August 2010 under the Commercial Companies Law of Oman. Subsequently, the Company was converted to a Public Joint Stock Company ("SAOG") and was listed on the Muscat Stock Exchange on 23 June 2014.

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Sohar 2 Power Plant with a capacity of about 750MW), and associated gas interconnection facilities and other relevant infrastructure; to make available the demonstrated power capacity; and to sell the electrical energy generated to Oman Power and Water Procurement Company SAOC ("OPWP"). Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 3 April 2013.

#### 2 Basis of preparation and significant accounting policies

##### Basis of preparation

##### (a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Commercial Companies Law of Sultanate of Oman (as amended) ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2022. The condensed interim financial statements do not include all information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

##### (b) *Basis of measurement*

These condensed interim financial statements are prepared on historical cost basis except for provision for asset retirement obligation and deferred finance costs which are measured at amortised cost and certain financial instruments which are measured at fair value.

##### (c) *Use of estimates and judgements*

The preparation of the financial statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed interim financial statements are same as those that were applied to the financial statements as at and for the year ended 31 December 2022.

##### (d) *Presentation and functional currency*

These condensed financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency, and also in Rial Omani ("RO") for local regulatory requirements. The Omani Rial amounts, which are presented in these financial statements have been translated from the USD amounts at an exchange rate of USD 1 = RO 0.3845. All amounts have been rounded to the nearest thousand (RO '000 and USD '000) except where otherwise stated.

##### Change in significant accounting policies

The significant accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2022.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

	31 March 2023 RO'000s	31 March 2023 USD'000s	31 March 2022 RO'000s	31 March 2022 USD'000s
<b>3. Direct costs</b>				
Depreciation on property plant and equipment (note 6)	1,859	4,836	1,860	4,837
Operation and maintenance ("O&M") fees (note 15)	1,427	3,711	1,432	3,724
Fuel gas	361	940	1,817	4,727
Seawater extraction	273	710	271	704
Insurance	168	435	162	421
Depreciation on right of use assets (note 6)	59	154	59	154
Grid connection fee	4	9	3	8
Custom duty (note 15)	0	1	1	2
Fuel oil	-	-	35	91
Other direct costs	83	214	94	244
	<b>4,234</b>	<b>11,010</b>	<b>5,734</b>	<b>14,912</b>
<b>4. General and administrative expenses</b>				
Secondment fees (note 15)	66	173	64	165
Employment costs	43	113	41	105
Public company related costs	20	51	21	56
Corporate social responsibility	15	39	-	-
Agency fees	15	38	13	35
Directors' sitting fees (note 15)	6	15	5	14
Office rent	5	12	4	11
Depreciation on property plant and equipment (note 6)	2	5	2	5
Other general and administrative expenses	37	96	29	75
	<b>209</b>	<b>542</b>	<b>179</b>	<b>466</b>
<b>5 (a) Finance costs</b>				
Interest on term loans and swap interests	1,261	3,281	1,423	3,701
Amortisation of deferred finance costs	151	391	179	465
Interest on lease liabilities	46	118	48	125
Debt Service Reserve Account ("DSRA") LC cost (note 15)	14	36	17	44
Asset retirement obligation - unwinding of discount	4	11	5	14
Exchange loss	4	11	(3)	(8)
Interest on short term borrowing	3	9	9	24
	<b>1,483</b>	<b>3,857</b>	<b>1,678</b>	<b>4,365</b>
<b>5 (b) Finance income</b>				
Interest income	4	11	0	1
	<b>4</b>	<b>11</b>	<b>0</b>	<b>1</b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 6. Property, plant and equipment

	Property, plant and equipment RO'000s	Technical Spares RO'000s	Other assets RO'000s	Total RO'000s
<b>Cost</b>				
1 January 2023	296,552	1,713	135	298,400
Addition during the period	-	-	-	-
Disposal during the period	-	-	-	-
<b>31 March 2023</b>	<b>296,552</b>	<b>1,713</b>	<b>135</b>	<b>298,400</b>
<b>Depreciation</b>				
1 January 2023	73,595	617	123	74,335
Charge during the period	1,842	17	2	1,861
Disposal during the period	-	-	-	-
<b>31 March 2023</b>	<b>75,437</b>	<b>634</b>	<b>125</b>	<b>76,196</b>
<b>Carrying amount</b>				
<b>31 March 2023</b>	<b>221,115</b>	<b>1,079</b>	<b>10</b>	<b>222,204</b>
31 December 2022	222,957	1,096	12	224,065
	Property, plant and equipment USD'000s	Technical Spares USD'000s	Other assets USD'000s	Total USD'000s
<b>Cost</b>				
1 January 2023	771,268	4,456	352	776,076
Addition during the period	-	-	-	-
Disposal during the period	-	-	-	-
<b>31 March 2023</b>	<b>771,268</b>	<b>4,456</b>	<b>352</b>	<b>776,076</b>
<b>Depreciation</b>				
1 January 2023	191,402	1,605	319	193,326
Charge during the period	4,791	45	5	4,841
Disposal during the period	-	-	-	-
<b>31 March 2023</b>	<b>196,193</b>	<b>1,650</b>	<b>324</b>	<b>198,167</b>
<b>Carrying amount</b>				
<b>31 March 2023</b>	<b>575,075</b>	<b>2,806</b>	<b>28</b>	<b>577,909</b>
31 December 2022	579,866	2,851	33	582,750

The term loan facilities are secured by a comprehensive legal and commercial mortgage on all assets of the Company (note 13).

The Company's plant is constructed on land leased from the Sohar Industrial Port Company SAOC (note 7). The Company has leased out the entire property, plant and equipment under operating lease.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 7. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
<b>Cost</b>			
1 January 2023	999	2,721	3,720
Addition during the period	-	-	-
31 March 2023	999	2,721	3,720
<b>Depreciation</b>			
1 January 2023	500	448	948
Charge during the period	31	28	59
31 March 2023	531	476	1,007
<b>Carrying amount</b>			
31 March 2023	468	2,245	2,713
31 December 2022	499	2,273	2,772
	Connection Equipment USD'000s	Site Rent USD'000s	Total RO'000s
<b>Cost</b>			
1 January 2023	2,599	7,076	9,675
Addition during the period	-	-	-
31 March 2023	2,599	7,076	9,675
<b>Depreciation</b>			
1 January 2023	1,300	1,167	2,467
Charge during the period	81	73	154
31 March 2023	1,381	1,240	2,621
<b>Carrying amount</b>			
31 March 2023	1,218	5,836	7,054
31 December 2022	1,299	5,909	7,208

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>8. Trade and other receivables</b>				
Trade receivables	1,733	4,507	1,855	4,825
Prepayments	201	523	316	821
Due from a related party (note 15)	18	47	15	40
Accrued income	-	-	12	31
Other receivables	224	579	144	374
	<b>2,176</b>	<b>5,656</b>	<b>2,342</b>	<b>6,091</b>

### 9. Short term deposit

As per the Common Terms Agreement ("CTA"), the Company is required to maintain a debt service provisioning account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October the Company is required to put the scheduled amount towards the next six monthly payments. The amount in the DSPA cannot be utilized for any purpose other than servicing the loan instalments and interest and is as such, restricted cash. The amount in the DSPA account was put into a short term deposit which matured on 25 April 2023.

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>10. Cash and cash equivalents</b>				
Cash in hand and at bank	1,552	4,037	3,250	8,452
	<b>1,552</b>	<b>4,037</b>	<b>3,250</b>	<b>8,452</b>

### 11. Lease liabilities

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Lease liabilities included in the statement of financial position as:				
Current lease liabilities	170	442	166	433
Non-current lease liabilities	2,968	7,720	3,098	8,057
	<b>3,138</b>	<b>8,162</b>	<b>3,264</b>	<b>8,490</b>

Lease liabilities included in the statement of financial position as:

Current lease liabilities	170	442	166	433
Non-current lease liabilities	2,968	7,720	3,098	8,057
	<b>3,138</b>	<b>8,162</b>	<b>3,264</b>	<b>8,490</b>

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
<b>31 March 2023</b>				
Within one year	349	170	908	442
In 2 to 5 years	1,272	670	3,308	1,742
More than 5 years	3,558	2,298	9,254	5,978
<b>Lease liabilities</b>	<b>5,179</b>	<b>3,138</b>	<b>13,470</b>	<b>8,162</b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 12. Equity

##### (a) Share capital

The details of the shareholders are as follows:

	Nationality	No. of shares held of nominal value 100 Bzs. each	% of total	Aggregate nominal value of shares held RO '000
<b>31 March 2023</b>				
Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Civil Service Employees Pension Fund	Omani	87,413,257	12.95%	8,741
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	44,628,871	6.61%	4,463
Ministry of Defence Pension Fund	Omani	34,900,737	5.17%	3,490
Shareholders with less than 5% shareholding		113,135,417	16.77%	11,315
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
<b>Nominal value in USD</b>				<u>175,523</u>

31 December 2022

Kahrabel FZE	UAE	201,791,343	29.90%	20,179
Middle East Investment LLC	Omani	96,508,899	14.30%	9,651
Civil Service Employees Pension Fund	Omani	87,413,257	12.95%	8,741
SEP International Netherlands B.V.	Netherlands	48,254,453	7.15%	4,825
Sojitz Global Investment B.V.	Netherlands	48,254,453	7.15%	4,825
Public Authority for Social Insurance	Omani	44,106,913	6.54%	4,411
Ministry of Defence Pension Fund	Omani	34,900,737	5.17%	3,490
Shareholders with less than 5% shareholding		113,657,375	16.84%	11,367
		<u>674,887,430</u>	<u>100.00%</u>	<u>67,489</u>
<b>Nominal value in USD</b>				<u>175,523</u>

The Company has authorized, issued and paid-up share capital of RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each (31 December 2022: RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

##### (b) Legal reserve

Article 132 of the Commercial Companies Law requires that 10% of Company's net profits, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at one-third of the Company's share capital.

##### (c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>13. Term loans</b>				
Term loans	93,109	242,156	93,109	242,156
Less: current portion	(17,805)	(46,308)	(17,805)	(46,308)
Non-current portion	75,304	195,848	75,304	195,848
Less: unamortised transaction cost	(1,527)	(3,973)	(1,678)	(4,364)
	<b>73,777</b>	<b>191,875</b>	<b>73,626</b>	<b>191,484</b>

On 16 September 2010, the Company entered into a Common Terms Agreement (“CTA”), for credit facilities with a consortium of international banks, export credit agencies and a local bank, with Credit Agricole Corporate & Investment Bank as the Global Facility Agent, Offshore Security Trustee, Offshore Account Bank, KEXIM Facility Agent and Commercial Facility Agent; with Bank Muscat SAOG as Onshore Security Agent and Onshore Account Bank; and with KfW IPEX - Bank GmbH as the Hermes Facility Agent.

At 31 March 2023 and 31 December 2022, the outstanding amounts were as follows:

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Commercial Facility	40,220	104,604	40,220	104,604
Hermes Covered Variable Facility	20,735	53,928	20,735	53,928
Hermes Covered Fixed Facility	13,235	34,422	13,235	34,422
KEXIM Direct Facility	12,886	33,514	12,886	33,514
KEXIM Covered Facility	6,033	15,688	6,033	15,688
	<b>93,109</b>	<b>242,156</b>	<b>93,109</b>	<b>242,156</b>

#### 14. Trade and other payables

Accrued interest cost	964	2,507	867	2,255
Due to related parties (note 15)	907	2,359	737	1,919
Fuel gas payable and accrual	264	687	2,366	6,153
Other payable and accruals	593	1,543	1,262	3,282
	<b>2,728</b>	<b>7,096</b>	<b>5,232</b>	<b>13,609</b>

#### 15. Related party transactions

Related parties comprise the shareholders, directors, key management personnel, business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 15 Related party transactions (continued)

##### Key management benefits

Key management personnel are those having authority for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation paid to key management personnel for the three month period ended are as follows:

	31 March 2023 RO'000s	31 March 2023 USD'000s	31 March 2022 RO'000s	31 March 2022 USD'000s
Key management benefits	66	173	64	165

The Company had the following transactions with related parties during the three month period ended:

	31 March 2023 RO'000s	31 March 2023 USD'000s	31 March 2022 RO'000s	31 March 2022 USD'000s
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##### Entities exercising significant influence over the Company:

Suez-Tractebel Operation & Maintenance Oman LLC	1,571	4,085	1,514	3,936
Al Suwadi Power Company SAOG	69	180	92	238
Kahrabel Operations & Maintenance (Oman) LLC	38	101	36	92
Shikoku Electric Power Co., Inc.	34	87	2	5
International Power SA Dubai Branch	10	26	9	24
ENGIE SA	6	16	8	20
Directors'	6	15	5	14
Middle East Investment LLC	3	8	4	10
Sojitz Corporation	2	4	31	80
Public Authority for Social Insurance	1	4	2	6
	<b>1,740</b>	<b>4,526</b>	<b>1,703</b>	<b>4,425</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	1,427	3,711	1,432	3,724
Capital & Initial spares	71	183	-	-
Value added tax (VAT)	69	180	66	169
Secondment fees (note 4)	66	173	64	165
Sharing of costs	66	172	92	238
DSRA LC cost (note 5)	14	36	17	44
Professional fees	10	26	9	23
Backcharge of expenses	6	16	-	-
Directors' sitting fees (note 4)	6	15	5	14
Other O&M expenses	4	11	-	-
Custom duty (note 3)	0	1	1	2
Others	1	2	17	46
	<b>1,740</b>	<b>4,526</b>	<b>1,703</b>	<b>4,425</b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 15 Related party transactions (continued)

	31 March 2023 RO'000s	31 March 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<i>Balance due from a related party:</i>				
Al Suwadi Power Company SAOG	18	47	15	40

*Balances due to related parties comprised:*

#### Entities exercising significant influence over the Company:

Suez-Tractebel Operation & Maintenance Oman LLC	807	2,099	615	1,600
Kahrabel Operations & Maintenance (Oman) LLC	34	88	48	126
International Power SA Dubai Branch	18	48	34	88
Directors'	14	36	21	55
Shikoku Electric Power Co., Inc.	13	34	11	29
ENGIE SA	11	28	4	11
Middle East Investment LLC	5	13	2	5
Sojitz Corporation	3	7	1	3
Public Authority for Social Insurance	2	6	1	2
	<u>907</u>	<u>2,359</u>	<u>737</u>	<u>1,919</u>

#### 16. 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 2022.

#### 17. Commitments

- a) Operation and maintenance commitments and land lease commitments are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2022 as reduced by amounts accounted for during the three month period ended 31 March 2023.
- b) The Company has placed purchase orders for RO 111,772 (USD 290,694) which are outstanding as at 31 March 2023 [RO 118,844 (USD 309,087) as at 31 December 2022].

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 18. Net assets per share - adjusted

Net assets per share is calculated by dividing the net assets attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period/year.

	<b>31 March 2023 RO'000s</b>	<b>31 March 2023 USD'000s</b>	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Net assets - shareholder funds	<b>108,343</b>	<b>281,777</b>	110,091	286,323
Weighted average number of shares outstanding during the period/year ('000s)	<b>674,887</b>	<b>674,887</b>	674,887	674,887
Net asset per share (Baizas / cents) - adjusted	<b>160.54</b>	<b>417.52</b>	163.13	424.25

The management believes that the hedging surplus of RO 0.12 million [USD 0.31 million] as at 31 March 2023 (RO 0.36 million [USD 0.95 million] as at 31 December 2022) represents the gain which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its financing agreements, the Company is not permitted to terminate the swap agreements. Accordingly the hedging surplus has been excluded from the Net assets - shareholder funds.

#### 19. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<b>31 March 2023 RO'000s</b>	<b>31 March 2023 USD'000s</b>	31 March 2022 RO'000s	31 March 2022 USD'000s
Net profit for the period	<b>(1,748)</b>	<b>(4,546)</b>	(1,888)	(4,910)
Weighted average number of shares outstanding during the period ('000s)	<b>674,887</b>	<b>674,887</b>	674,887	674,887
Basic earnings per share (Baizas / cents)	<b>(2.59)</b>	<b>(6.74)</b>	(2.80)	(7.28)

Filing Information	01/01/2023-31/03/2023
<b>GENERAL INFORMATION ABOUT FINANCIAL STATEMENTS</b>	
Type of company	SAOG
Commercial Registration (CR) number	1092788
Name of reporting entity	Al Batinah Power Company SAOG
Listing status	Listed
Ticker code (Symbol)	BATP
Licensing Status	Not Licensed with CMA
Licensed for	Not Applicable
Type of Fund	Not Applicable
Sector	Services Sector
Sub-sector	Energy
Category of filer	Services Companies
Reporting period frequency	Quarter 1
Whether reporting entity is preparing financial statements for the first financial period since its establishment	No
Reporting period start date	01/01/2023
Reporting period end date	31/03/2023
Description of reporting currency	Omani Rial
Level of rounding off for monetary values	Thousands
Description of nature of financial statements	Unaudited
Preparation format	Standalone