

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the 6-months period ended 30 June 2021.

Operational Highlights

The global COVID-19 pandemic continues to upset the scale of balances creating severe global, social and economic disruptions. However, the Company continued to streamline its operations and achieved a major milestone crossing 1 million manhours (1,032,886-man hours - 3,646 days) without lost time accidents, which is reflective of our continued focus on health, safety, security and environment ("HSSE").

The plant operated with a reliability of 99.69% and delivered 910 GWh to the grid. The plant load for the period was 28.43% compared to 15.26% in the corresponding period of the previous year.

The Company continues to take actions to close the gaps identified in the DCS/SCADA cyber security audit report issued by the Authority for Public Services Regulation ("APSR"). APSR is being updated on regular basis on the actions taken by the Company to ensure due compliance to the cyber security standards.

Financial Results

	6-month-2021 RO'000s Unaudited	6-month-2020 RO'000s Unaudited	Percentage change
Revenues	26,655	22,711	17.4%
Direct costs	(15,995)	(11,959)	
Gross profit	10,660	10,752	-0.9%
General and administrative expenses	(382)	(395)	
Profit before interest and tax	10,278	10,357	-0.8%
Finance costs (net)	(3,821)	(4,281)	
Profit before tax	6,457	6,076	6.3%
Tax	(940)	(890)	
Net Profit for the period	5,517	5,186	6.4%

Higher revenues and direct costs as compared to the previous year were attributed mainly to higher 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. Lower gross profit was attributed mainly to the higher insurance premium

and higher fuel oil consumption for testing. Furthermore, the steady reduction in the finance costs positively contributed to the better profit before tax. As a result, the net profit was 6.4% better than the corresponding period of the previous year.

The Company distributed a cash dividend of 2.0 baizas per share in June 2021.

The share price was 53 Baizas at the end of June 2021.

Corporate Social Responsibility

Striving to ensure that the Company has a positive impact on people and the country, the Company allocated 40,000 OMR for the CSR initiatives for the year 2021.

The Company along with other ENGIE group companies, are discussing with Ministry of Education ("MoE") to sponsor a PV solar project for a school in the middle of the desert in South Sharqyah. The school classrooms and the residence of the teachers are supplied electricity by diesel generators. The PV solar will provide a clean access to energy, reduce environment pollution and solve the issues of transporting the diesel, generators maintenance and supply unreliability. The Company contribution will be 15,000 OMR. Moreover, and considering the Novel Coronavirus (COVID-19) pandemic, the Company donated an amount of 17,577 OMR to the COVID-19 account of the Ministry of Health to support the country efforts to limit the spread of the virus and mitigate its impact. Finally, the Company had sponsored a school competition to design smart applications "App Inventor". 200 students from Oman's government and private schools will be trained to design mobile applications. At the end of the training program the students will compete in designing mobile applications. The first two winners will participate in the MIT competition in Boston USA. The Company contribution will be 7,422.5 OMR.

Medium term Outlook

All reasonable measures are taken by the management to maintain high availability levels in 2021. 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 net profit is mainly derived from its plant availability.

The unprecedented COVID-19 pandemic situation has no material impact on the Company's business thus far and the plant has invoked its business continuity plan to cope up with crisis.

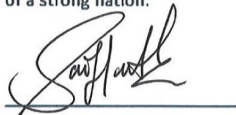
The spot market trial was started in July 2021 and is expected to go live in December 2021. The Company revenues will not be impacted due to the participation in the spot market until the end of PPA.

The Company has been closely monitoring the financial market conditions for any opportunities to avoid the cash sweep that is scheduled from April 2023 as agreed in the Finance Documents.

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.



Saif Al Harthy
Chairperson of the Board



AL BATINAH POWER COMPANY SAOG

Unaudited condensed income statement

for the six month period ended 30 June

	Notes	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
Revenues		26,655	69,323	22,711	59,067
Direct costs	3	(15,995)	(41,600)	(11,959)	(31,100)
Gross profit		10,660	27,723	10,752	27,967
General and administrative expenses	4	(382)	(993)	(395)	(1,028)
Profit before interest and tax		10,278	26,730	10,357	26,939
Finance costs (net)	5	(3,821)	(9,937)	(4,281)	(11,137)
Profit before tax		6,457	16,793	6,076	15,802
Tax expense		(940)	(2,446)	(890)	(2,315)
Net profit for the period		5,517	14,347	5,186	13,487
Earnings per share					
Basic earnings per share (Baizas / cents)	19	8.17	21.26	7.68	19.98

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG**Unaudited condensed statement of profit or loss and other comprehensive income***for the six month period ended 30 June*

	2021	2021	2020	2020
	RO'000s	USD'000s	RO'000s	USD'000s
Net profit for the period	5,517	14,347	5,186	13,487
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):				
<i>Item that will be reclassified to profit or loss</i>				
Cash flow hedges - effective portion of changes in fair value	1,849	4,809	(4,828)	(12,557)
Total comprehensive income for the period	7,366	19,156	358	930

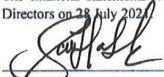
The attached notes 1 to 19 form part of these condensed interim financial statements.


AL BATINAH POWER COMPANY SAOG**Unaudited condensed statement of financial position**

as at

	Notes	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Assets					
Non-current assets					
Property, plant and equipment	6	235,212	611,736	238,924	621,392
Right-of-use assets	7	3,127	8,131	3,246	8,441
Capital spares		541	1,407	566	1,472
Total non-current assets		238,880	621,274	242,736	631,305
Current assets					
Inventory		1,925	5,008	1,913	4,974
Trade and other receivables	8	14,034	36,497	15,249	39,660
Short term deposit	9	-	-	1,154	3,000
Cash and cash equivalents	10	3,509	9,127	1,543	4,014
Total current assets		19,468	50,632	19,859	51,648
Total assets		258,348	671,906	262,595	682,953
Equity and liabilities					
Equity					
Share capital	12(a)	67,489	175,523	67,489	175,523
Legal reserve	12(b)	6,530	16,983	6,530	16,983
Retained earnings		25,720	66,892	21,553	56,056
Equity before hedging reserve		99,739	259,398	95,572	248,562
Hedging reserve	12(c)	(7,232)	(18,807)	(9,081)	(23,616)
Equity		92,507	240,591	86,491	224,946
Liabilities					
Non-current liabilities					
Term loans	13	106,381	276,672	107,575	279,777
Lease liabilities	11	3,342	8,691	3,416	8,883
Derivative instruments		8,508	22,126	10,683	27,784
Deferred tax liability		20,484	53,276	19,218	49,981
Asset retirement obligation		307	800	297	771
End of service benefits		30	78	27	70
Total non-current liabilities		139,052	361,643	141,216	367,266
Current liabilities					
Term loans	13	16,297	42,385	16,002	41,618
Lease liabilities	11	102	264	140	364
Trade and other payables	14	10,390	27,023	15,336	39,890
Short term borrowing		-	-	3,410	8,869
Total current liabilities		26,789	69,672	34,888	90,741
Total liabilities		165,841	431,315	176,104	458,007
Total equity and liabilities		258,348	671,906	262,595	682,953
Net assets per share (Baizas / cents) - adjusted					
	18	147.79	384.36	141.61	368.30

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 28 July 2022.


Chairperson


Director

The attached notes 1 to 19 form part of these condensed interim financial statements.



AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of cash flows

for the six month period ended 30 June

	Notes	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
Cash flows from operating activities:					
Profit before tax		6,457	16,793	6,076	15,802
Adjustments for:					
Depreciation		3,846	10,003	3,843	9,996
Finance costs (net)		3,821	9,937	4,281	11,137
Gain on disposals		(7)	(18)	-	-
End of service benefits		3	8	3	8
Cash from operations before working capital changes		14,120	36,723	14,203	36,943
Changes in :					
Trade and other receivables		1,215	3,163	(8,196)	(21,318)
Inventory		(12)	(34)	13	33
Trade and other payables		(4,889)	(12,718)	4,789	12,454
Net cash flows generated from operating activities		10,434	27,134	10,809	28,112
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(33)	(85)	(35)	(91)
Sale proceeds from property, plant and equipment		25	66	-	-
Net cash flows (used in) investing activities		(8)	(19)	(35)	(91)
Cash flows from financing activities:					
Repayment of term loans		(1,307)	(3,398)	(1,420)	(3,694)
Finance costs paid		(3,335)	(8,672)	(3,750)	(9,753)
Repayment to short term borrowing - net		(3,410)	(8,869)	(3,638)	(9,462)
Maturity of short term deposit		1,154	3,000	1,578	4,104
Dividend paid		(1,350)	(3,511)	(1,890)	(4,915)
Lease payments		(213)	(554)	(166)	(432)
Interest received		1	2	32	83
Net cash flows (used in) financing activities		(8,460)	(22,002)	(9,254)	(24,069)
Net change in cash and cash equivalents		1,966	5,113	1,520	3,952
Cash and cash equivalents at beginning of the period	10	1,543	4,014	1,883	4,898
Cash and cash equivalents at end of the period	10	3,509	9,127	3,403	8,850

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the six month period ended 30 June

	Share capital RO'000s	Legal reserve RO'000s	Retained earnings RO'000s	Hedging reserve RO'000s	Total RO'000s
Balance at 1 January 2021	67,489	6,530	21,553	(9,081)	86,491
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	5,517	-	5,517
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	1,849	1,849
<i>Total comprehensive income for the period</i>	-	-	5,517	1,849	7,366
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend			(1,350)		(1,350)
<i>Total transaction with owners of the Company</i>	-	-	(1,350)	-	(1,350)
Balance at 30 June 2021	67,489	6,530	25,720	(7,232)	92,507
 Balance at 1 January 2020	 67,489	 5,468	 15,981	 (6,816)	 82,122
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	5,186	-	5,186
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(4,828)	(4,828)
<i>Total comprehensive income for the period</i>	-	-	5,186	(4,828)	358
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend			(1,890)		(1,890)
<i>Total transaction with owners of the Company</i>	-	-	(1,890)	-	(1,890)
Balance at 30 June 2020	67,489	5,468	19,277	(11,644)	80,590

The attached notes 1 to 19 form part of these condensed interim financial statements.

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the six month period ended 30 June

	Share capital USD'000s	Legal reserve USD'000s	Retained earnings USD'000s	Hedging reserve USD'000s	Total USD'000s
Balance at 1 January 2021	175,523	16,983	56,056	(23,616)	224,946
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	14,347	-	14,347
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	4,809	4,809
<i>Total comprehensive income for the period</i>	-	-	14,347	4,809	19,156
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend			(3,511)		(3,511)
<i>Total transaction with owners of the Company</i>	-	-	(3,511)	-	(3,511)
Balance at 30 June 2021	175,523	16,983	66,892	(18,807)	240,591
 Balance at 1 January 2020	 175,523	 14,222	 41,563	 (17,727)	 213,581
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	13,487	-	13,487
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(12,557)	(12,557)
<i>Total comprehensive income for the period</i>	-	-	13,487	(12,557)	930
<i>Transactions with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend			(4,915)		(4,915)
<i>Total transaction with owners of the Company</i>	-	-	(4,915)	-	(4,915)
Balance at 30 June 2020	175,523	14,222	50,135	(30,284)	209,596

The attached notes 1 to 19 form part of these condensed interim financial statements.

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 Securities Market 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 2020. 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 affected.

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 2020.

(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 2020.

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
3. Direct costs				
Fuel gas	8,037	20,903	4,217	10,967
Depreciation (note 6 & 7)	3,838	9,981	3,836	9,977
Operation and maintenance ("O&M") fees (note 15)	3,090	8,038	2,949	7,669
Seawater extraction	529	1,376	519	1,349
Insurance	303	787	248	644
Fuel oil	66	171	13	33
Grid connection fee	8	21	8	20
Custom duty (note 15)	2	6	9	25
Other direct costs	122	317	160	416
	15,995	41,600	11,959	31,100
4. General and administrative expenses				
Secondment fees (note 15)	127	330	124	322
Employment costs	92	240	88	228
Public company related costs	47	123	45	117
Agency fees	27	69	28	74
Corporate social responsibility	18	46	20	52
Directors' sitting fees (note 15)	11	28	14	36
Office rent	9	23	10	26
Depreciation (note 6)	8	22	7	19
Other general and administrative expenses	43	112	59	154
	382	993	395	1,028
5. Finance costs (net)				
Interest on term loans	1,802	4,687	2,737	7,118
Swap interest	1,383	3,596	840	2,184
Amortisation of deferred finance costs	408	1,060	458	1,192
Interest on lease liabilities	100	261	105	272
Debt Service Reserve Account ("DSRA") LC cost (note 15)	68	178	71	186
Interest on short term borrowing	45	116	76	198
Asset retirement obligation - unwinding of discount	11	29	10	27
Exchange loss	4	11	12	33
Interest income	(0)	(1)	(28)	(73)
	3,821	9,937	4,281	11,137

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	Capital Work-in- progress RO'000s	Total RO'000s
Cost					
1 January 2021	296,408	1,724	156	104	298,392
Addition during the period	21	0	0	12	33
Disposal during the period	-	(25)	(17)	-	(42)
Transfer during the period	104	-	-	(104)	-
30 June 2021	296,533	1,699	139	12	298,383
Depreciation					
1 January 2021	58,854	483	131	-	59,468
Charge during the period	3,685	34	8	-	3,727
Disposal during the period	-	(7)	(17)	-	(24)
30 June 2021	62,539	510	122	-	63,171
Carrying amount					
30 June 2021	233,994	1,189	17	12	235,212
31 December 2020	237,554	1,241	25	104	238,924
	Property, plant and equipment USD'000s	Technical Spares USD'000s	Other assets USD'000s	Capital Work-in- progress USD'000s	Total USD'000s
Cost					
1 January 2021	770,893	4,484	406	272	776,055
Addition during the period	53	0	1	31	85
Disposal during the period	-	(66)	(45)	-	(111)
Transfer during the period	272	-	-	(272)	-
30 June 2021	771,218	4,418	362	31	776,029
Depreciation					
1 January 2021	153,066	1,255	342	-	154,663
Charge during the period	9,583	88	22	-	9,693
Disposal during the period	-	(18)	(45)	-	(63)
30 June 2021	162,649	1,325	319	-	164,293
Carrying amount					
30 June 2021	608,569	3,093	43	31	611,736
31 December 2020	617,827	3,229	64	272	621,392

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

7. Right-of-use assets

	Connection Equipment	Site Rent	Total
	RO'000s	RO'000s	RO'000s
Cost			
1 January 2021	999	2,720	3,719
Addition during the period	-	-	-
30 June 2021	999	2,720	3,719
Depreciation			
1 January 2021	250	223	473
Charge during the period	62	57	119
30 June 2021	312	280	592
Carrying amount			
30 June 2021	687	2,440	3,127
31 December 2020	749	2,497	3,246
	Connection Equipment	Site Rent	Total
	USD'000s	USD'000s	RO'000s
Cost			
1 January 2021	2,599	7,073	9,672
Addition during the period	-	-	-
30 June 2021	2,599	7,073	9,672
Depreciation			
1 January 2021	650	581	1,231
Charge during the period	162	148	310
30 June 2021	812	729	1,541
Carrying amount			
30 June 2021	1,787	6,344	8,131
31 December 2020	1,949	6,492	8,441

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

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
8. Trade and other receivables				
Trade receivables	13,832	35,973	14,823	38,551
Prepayments	55	143	290	754
Due from a related party (note 16)	54	140	39	101
Accrued income	-	-	8	22
Other receivables	93	241	89	232
	14,034	36,497	15,249	39,660

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 27 April 2021.

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
10. Cash and cash equivalents				
Cash in hand and at bank	3,509	9,127	1,543	4,014
	3,509	9,127	1,543	4,014

11. Lease liabilities

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
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Lease liabilities included in the statement of financial position as:

Current lease liabilities	102	264	140	364
Non-current lease liabilities	3,342	8,691	3,416	8,883
	3,444	8,955	3,556	9,247

	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
30 June 2021				
Amount payable under operating leases				
Within one year	298	102	775	264
In 2 to 5 years	1,407	727	3,660	1,890
More than 5 years	4,069	2,615	10,582	6,801
	5,774	3,444	15,017	8,955
Less: unpaid finance cost	(2,330)	-	(6,062)	-
Lease liabilities	3,444	3,444	8,955	8,955

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
30 June 2021				
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	88,043,257	13.05%	8,804
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	44,291,913	6.56%	4,429
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020
Shareholders with less than 5% shareholding		107,542,375	15.93%	10,756
		674,887,430	100.00%	67,489
Nominal value in USD				175,523

31 December 2020

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	88,043,257	13.05%	8,804
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	44,380,613	6.58%	4,438
Ministry of Defence Pension Fund	Omani	40,200,737	5.96%	4,020
Shareholders with less than 5% shareholding		107,453,675	15.92%	10,747
		674,887,430	100.00%	67,489
Nominal value in USD				175,523

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 2020: 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.

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Notes to the unaudited condensed interim financial statements

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
13. Term loans				
Term loans	125,420	326,188	126,727	329,586
Less: current portion	(16,297)	(42,385)	(16,002)	(41,618)
Non-current portion	109,123	283,803	110,725	287,968
Less: unamortised transaction cost	(2,742)	(7,131)	(3,150)	(8,191)
	106,381	276,672	107,575	279,777

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 30 June 2021 and 31 December 2020, the outstanding amounts were as follows:

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Commercial Facility	43,408	112,895	43,977	114,374
Hermes Covered Variable Facility	32,153	83,622	32,442	84,374
Hermes Covered Fixed Facility	20,523	53,376	20,708	53,856
KEXIM Direct Facility	19,982	51,968	20,162	52,436
KEXIM Covered Facility	9,354	24,327	9,438	24,546
	125,420	326,188	126,727	329,586
14. Trade and other payables				
Fuel gas payable and accrual	8,037	20,903	13,434	34,940
Accrued interest cost	1,118	2,907	1,150	2,991
Due to related parties (note 15)	485	1,261	485	1,263
Other payable and accruals	750	1,952	267	696
	10,390	27,023	15,336	39,890
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.

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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 the top five employees, including key management personnel for the six month period ended are as follows:

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Key management benefits	219	569	215	559

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

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Shareholders:				
Middle East Investment LLC	14	38	15	39
Public Authority for Social Insurance	7	18	7	18
Group companies and other related parties:				
Suez-Tractebel Operation & Maintenance Oman LLC	3,227	8,394	2,993	7,785
Al Suwadi Power Company SAOG	106	275	107	278
Kahrabel Operations & Maintenance (Oman) LLC	69	180	67	174
Sojitz Corporation	66	171	65	169
ENGIE SA	31	82	33	87
International Power SA Dubai Branch	19	50	34	88
Directors'	11	28	14	36
Shikoku Electric Power Co., Inc.	8	20	8	21
	3,558	9,256	3,343	8,695

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,090	8,038	2,949	7,669
Secondment fees (note 4)	127	330	124	322
Sharing of costs	105	273	107	278
DSRA LC cost (note 5)	68	178	71	186
Capital & Initial spares	62	161	-	-
Value added tax (VAT)	62	162	-	-
Professional fees	19	50	34	88
Directors' sitting fees (note 4)	11	28	14	36
Other O&M expenses	11	27	9	23
Custom duty (note 3)	2	6	9	25
Others	1	3	26	68
	3,558	9,256	3,343	8,695

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Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
<i>Balance due from a related party:</i>				
Al Suwadi Power Company SAOG	54	140	39	101
<i>Balances due to related parties comprised:</i>				
Shareholders:				
Middle East Investment LLC	10	26	3	7
Public Authority for Social Insurance	8	21	1	3
Group companies and other related parties:				
Suez-Tractebel Operation & Maintenance Oman LLC	372	968	398	1,036
International Power SA Dubai Branch	25	65	7	17
Kahrabel Operations & Maintenance (Oman) LLC	24	62	38	100
ENGIE SA	21	55	5	14
Sojitz Corporation	15	38	11	28
Shikoku Electric Power Co., Inc.	5	13	1	3
Directors'	5	13	21	55
	485	1,261	485	1,263

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 2020.

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 2020 as reduced by amounts accounted for during the six month period ended 30 June 2021.
- b) The Company has placed purchase orders for RO 50,764 (USD 132,027) which are outstanding as at 30 June 2021 [RO 100,363 (USD 261,022) as at 31 December 2020].

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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.

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Net assets - shareholder funds	99,739	259,398	95,572	248,562
Weighted average number of shares outstanding during the period/year ('000s)	674,887	674,887	674,887	674,887
Net asset per share (Baizas / cents) - adjusted	147.79	384.36	141.61	368.30

The management believes that the hedging deficit of RO 7.23 million [USD 18.81 million] as at 30 June 2021 (RO 9.08 million [USD 23.62 million] as at 31 December 2020) represents the loss 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 deficit 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.

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Net profit for the period	5,517	14,347	5,186	13,487
Weighted average number of shares outstanding during the period ('000s)	674,887	674,887	674,887	674,887
Basic earnings per share (Baizas / cents)	8.17	21.26	7.68	19.98