

**AL BATINAH POWER COMPANY SAOG**

**Unaudited condensed interim financial statements**

**30 June 2023**

**Registered address:**

P.O. Box 39  
Postal Code 103  
Bareeq Al Shatti  
Sultanate of Oman

**Principal place of business:**

Sohar Industrial Port  
Sohar  
Sultanate of Oman

# **AL BATINAH POWER COMPANY SAOG**

## **Unaudited condensed interim financial statements**

*30 June 2023*

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## AL BATINAH POWER COMPANY SAOG

### Unaudited condensed income statement

for the six month period ended 30 June

	Notes	2023 RO'000s	2023 USD'000s	2022 RO'000s	2022 USD'000s
Revenues		26,174	68,072	30,280	78,751
Direct costs	3	(15,347)	(39,913)	(19,649)	(51,103)
<b>Gross profit</b>		<b>10,827</b>	<b>28,159</b>	10,631	27,648
Other income		195	507	-	-
General and administrative expenses	4	(397)	(1,033)	(366)	(953)
<b>Profit before interest and tax</b>		<b>10,625</b>	<b>27,633</b>	10,265	26,695
Finance costs	5	(3,031)	(7,882)	(3,415)	(8,880)
Finance income		13	33	1	2
<b>Profit before tax</b>		<b>7,607</b>	<b>19,784</b>	6,851	17,817
Tax expense		(1,083)	(2,816)	(762)	(1,980)
<b>Net profit for the period</b>		<b>6,524</b>	<b>16,968</b>	6,089	15,837
<b>Earnings per share</b>					
Basic earnings per share (Baizas / cents)	19	9.67	25.14	9.02	23.47

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*

	2023 RO'000s	2023 USD'000s	2022 RO'000s	2022 USD'000s
<b>Net profit for the period</b>	<b>6,524</b>	<b>16,968</b>	6,089	15,837
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Cash flow hedges - effective portion of changes in fair value	<b>403</b>	<b>1,049</b>	3,791	9,861
<b>Total comprehensive income for the period</b>	<b>6,927</b>	<b>18,017</b>	9,880	25,698

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 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	220,342	573,067	224,065	582,750
Right-of-use assets	7	2,653	6,900	2,772	7,208
Derivative instruments		2,355	6,125	2,312	6,011
<b>Total non-current assets</b>		<b>225,350</b>	<b>586,092</b>	<b>229,149</b>	<b>595,969</b>
<b>Current assets</b>					
Inventory		2,598	6,757	2,606	6,778
Trade and other receivables	8	10,842	28,198	2,342	6,091
Short term deposit	9	-	-	192	500
Cash and cash equivalents	10	7,194	18,710	3,250	8,452
<b>Total current assets</b>		<b>20,634</b>	<b>53,665</b>	<b>8,390</b>	<b>21,821</b>
<b>Total assets</b>		<b>245,984</b>	<b>639,757</b>	<b>237,539</b>	<b>617,790</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	12(a)	67,489	175,523	67,489	175,523
Legal reserve	12(b)	8,859	23,041	8,859	23,041
Retained earnings		40,267	104,727	33,743	87,759
<b>Equity before hedging reserve</b>		<b>116,615</b>	<b>303,291</b>	<b>110,091</b>	<b>286,323</b>
Hedging reserve	12(c)	767	1,994	364	945
<b>Equity</b>		<b>117,382</b>	<b>305,285</b>	<b>110,455</b>	<b>287,268</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Term loans	13	72,521	188,611	73,626	191,484
Lease liabilities	11	3,010	7,828	3,098	8,057
Derivative instruments		1,454	3,781	1,884	4,899
Deferred tax liability		24,774	64,431	24,594	63,967
Asset retirement obligation		345	899	337	876
End of service benefits		6	15	38	99
<b>Total non-current liabilities</b>		<b>102,110</b>	<b>265,565</b>	<b>103,577</b>	<b>269,382</b>
<b>Current liabilities</b>					
Current tax liabilities		975	2,536	304	790
Trade and other payables	14	7,266	18,904	5,232	13,609
Lease liabilities - current	11	174	452	166	433
Term loans - current	13	18,077	47,015	17,805	46,308
<b>Total current liabilities</b>		<b>26,492</b>	<b>68,907</b>	<b>23,507</b>	<b>61,140</b>
<b>Total liabilities</b>		<b>128,602</b>	<b>334,472</b>	<b>127,084</b>	<b>330,522</b>
<b>Total equity and liabilities</b>		<b>245,984</b>	<b>639,757</b>	<b>237,539</b>	<b>617,790</b>
<b>Net assets per share (Baizas / cents) - adjusted</b>	18	<b>172.79</b>	<b>449.40</b>	<b>163.13</b>	<b>424.25</b>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 26 July 2023.

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	2023 RO'000s	2023 USD'000s	2022 RO'000s	2022 USD'000s
<b>Cash flows from operating activities:</b>					
Profit before tax		7,607	19,784	6,851	17,817
<i>Adjustments for:</i>					
Depreciation		3,842	9,992	3,843	9,996
Finance costs		3,031	7,882	3,415	8,880
Finance income		(13)	(33)	(1)	(2)
Gain on disposals		(6)	(15)	(1)	(2)
End of service benefits		3	8	4	9
Other income		(195)	(507)	-	-
<b>Cash from operations before working capital changes</b>		<b>14,269</b>	<b>37,111</b>	<b>14,111</b>	<b>36,698</b>
<b>Changes in :</b>					
Trade and other receivables		(8,307)	(21,603)	3,476	9,043
Inventory		9	21	(31)	(83)
Trade and other payables		1,994	5,188	(7,439)	(19,350)
<b>Cash flows generated from operating activities</b>		<b>7,965</b>	<b>20,717</b>	<b>10,117</b>	<b>26,308</b>
Income tax paid		(304)	(790)	-	-
End of service benefits paid		(36)	(92)	-	-
<b>Net cash flows generated from operating activities</b>		<b>7,625</b>	<b>19,835</b>	<b>10,117</b>	<b>26,308</b>
<b>Cash flows from investing activities:</b>					
Acquisition of property, plant and equipment		(0)	(1)	(18)	(46)
Sale proceeds from property, plant and equipment		6	15	3	7
<b>Net cash flows generated from (used in) investing activities</b>		<b>6</b>	<b>14</b>	<b>(15)</b>	<b>(39)</b>
<b>Cash flows from financing activities:</b>					
Repayment of term loans		(1,132)	(2,945)	(1,602)	(4,165)
Finance costs paid		(2,681)	(6,973)	(3,069)	(7,981)
Repayment of short term borrowings - net		-	-	(1,075)	(2,796)
Maturity of short term deposit		192	500	1,192	3,100
Dividend paid		-	-	(1,350)	(3,511)
Lease payments - Principal		(80)	(210)	(120)	(312)
Interest received		14	37	1	3
<b>Net cash flows (used in) financing activities</b>		<b>(3,687)</b>	<b>(9,591)</b>	<b>(6,023)</b>	<b>(15,662)</b>
<b>Net change in cash and cash equivalents</b>		<b>3,944</b>	<b>10,258</b>	<b>4,079</b>	<b>10,607</b>
<b>Cash and cash equivalents at beginning of the period</b>	10	<b>3,250</b>	<b>8,452</b>	<b>809</b>	<b>2,105</b>
<b>Cash and cash equivalents at end of the period</b>	10	<b>7,194</b>	<b>18,710</b>	<b>4,888</b>	<b>12,712</b>

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
<b>Balance at 1 January 2023</b>	<b>67,489</b>	<b>8,859</b>	<b>33,743</b>	<b>364</b>	<b>110,455</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	6,524	-	6,524
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	403	403
<i>Total comprehensive income for the period</i>	-	-	6,524	403	6,927
<b>Balance at 30 June 2023</b>	<b>67,489</b>	<b>8,859</b>	<b>40,267</b>	<b>767</b>	<b>117,382</b>
Balance at 1 January 2022	67,489	7,642	27,515	(5,678)	96,968
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	6,089	-	6,089
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	3,791	3,791
<i>Total comprehensive income for the period</i>	-	-	6,089	3,791	9,880
<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 2022	67,489	7,642	32,254	(1,887)	105,498

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
<b>Balance at 1 January 2023</b>	<b>175,523</b>	<b>23,041</b>	<b>87,759</b>	<b>945</b>	<b>287,268</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	16,968	-	16,968
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	1,049	1,049
<i>Total comprehensive income for the period</i>	-	-	16,968	1,049	18,017
<b>Balance at 30 June 2023</b>	<b>175,523</b>	<b>23,041</b>	<b>104,727</b>	<b>1,994</b>	<b>305,285</b>
Balance at 1 January 2022	175,523	19,876	71,561	(14,770)	252,190
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	15,837	-	15,837
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	9,861	9,861
<i>Total comprehensive income for the period</i>	-	-	15,837	9,861	25,698
<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)
<b>Balance at 30 June 2022</b>	<b>175,523</b>	<b>19,876</b>	<b>83,887</b>	<b>(4,909)</b>	<b>274,377</b>

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 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 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 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

	30 June 2023 RO'000s	30 June 2023 USD'000s	30 June 2022 RO'000s	30 June 2022 USD'000s
<b>3. Direct costs</b>				
Fuel gas	7,316	19,026	11,581	30,120
Depreciation on property plant and equipment (note 6)	3,719	9,674	3,722	9,679
Operation and maintenance ("O&M") fees (note 15)	3,127	8,132	3,175	8,259
Seawater extraction	545	1,418	537	1,396
Insurance	336	874	326	846
Depreciation on right of use assets (note 7)	119	308	118	308
Fuel oil	21	56	64	167
Custom duty (note 15)	18	46	2	5
Grid connection fee	7	19	7	18
Other direct costs	138	360	117	305
	<b>15,347</b>	<b>39,913</b>	<b>19,649</b>	<b>51,103</b>
<b>4. General and administrative expenses</b>				
Secondment fees (note 15)	134	348	130	337
Employment costs	89	232	92	239
Public company related costs	39	103	43	113
Agency fees	29	74	26	66
Corporate social responsibility	20	51	-	-
Directors' sitting fees (note 15)	11	29	10	27
Office rent	9	24	9	23
Depreciation on property plant and equipment (note 6)	4	10	3	9
Other general and administrative expenses	62	162	53	139
	<b>397</b>	<b>1,033</b>	<b>366</b>	<b>953</b>
<b>5 (a) Finance costs</b>				
Interest on term loans and swap interests	2,535	6,593	2,858	7,433
Amortisation of deferred finance costs	299	778	355	924
Interest on lease liabilities	91	236	96	249
Debt Service Reserve Account ("DSRA")				
LC cost (note 15)	67	175	71	184
Exchange loss	20	52	2	5
Interest on short term borrowing	10	25	22	58
Asset retirement obligation - unwinding of discount	9	23	11	27
	<b>3,031</b>	<b>7,882</b>	<b>3,415</b>	<b>8,880</b>
<b>5 (b) Finance income</b>				
Interest income	13	33	1	2
	<b>13</b>	<b>33</b>	<b>1</b>	<b>2</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	-	-	0	0
Disposal during the period	-	-	(16)	(16)
30 June 2023	<u>296,552</u>	<u>1,713</u>	<u>119</u>	<u>298,384</u>
<b>Depreciation</b>				
1 January 2023	73,595	617	123	74,335
Charge during the period	3,685	34	4	3,723
Disposal during the period	-	-	(16)	(16)
30 June 2023	<u>77,280</u>	<u>651</u>	<u>111</u>	<u>78,042</u>
<b>Carrying amount</b>				
30 June 2023	<u>219,272</u>	<u>1,062</u>	<u>8</u>	<u>220,342</u>
31 December 2022	<u>222,957</u>	<u>1,096</u>	<u>12</u>	<u>224,065</u>
<b>Property, plant and equipment USD'000s</b>				
	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	-	-	1	1
Disposal during the period	-	-	(42)	(42)
30 June 2023	<u>771,268</u>	<u>4,456</u>	<u>311</u>	<u>776,035</u>
<b>Depreciation</b>				
1 January 2023	191,402	1,605	319	193,326
Charge during the period	9,585	89	10	9,684
Disposal during the period	-	-	(42)	(42)
30 June 2023	<u>200,987</u>	<u>1,694</u>	<u>287</u>	<u>202,968</u>
<b>Carrying amount</b>				
30 June 2023	<u>570,281</u>	<u>2,762</u>	<u>24</u>	<u>573,067</u>
31 December 2022	<u>579,866</u>	<u>2,851</u>	<u>33</u>	<u>582,750</u>

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	Site Rent	Total
	RO'000s	RO'000s	RO'000s
<b>Cost</b>			
1 January 2023	999	2,721	3,720
Addition during the period	-	-	-
30 June 2023	999	2,721	3,720
<b>Depreciation</b>			
1 January 2023	500	448	948
Charge during the period	63	56	119
30 June 2023	563	504	1,067
<b>Carrying amount</b>			
30 June 2023	436	2,217	2,653
31 December 2022	499	2,273	2,772
	Connection Equipment	Site Rent	Total
	USD'000s	USD'000s	RO'000s
<b>Cost</b>			
1 January 2023	2,599	7,076	9,675
Addition during the period	-	-	-
30 June 2023	2,599	7,076	9,675
<b>Depreciation</b>			
1 January 2023	1,300	1,167	2,467
Charge during the period	162	146	308
30 June 2023	1,462	1,313	2,775
<b>Carrying amount</b>			
30 June 2023	1,137	5,763	6,900
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

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>8. Trade and other receivables</b>				
Trade receivables	10,301	26,791	1,855	4,825
Prepayments	77	201	316	821
Due from a related party (note 15)	76	197	15	40
Accrued income	-	-	12	31
Other receivables	388	1,009	144	374
	<b>10,842</b>	<b>28,198</b>	2,342	6,091

### 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.

	30 June 2023 RO'000s	30 June 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	7,194	18,710	3,250	8,452
	<b>7,194</b>	<b>18,710</b>	3,250	8,452

### 11. Lease liabilities

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
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Lease liabilities included in the statement of financial position as:

Current lease liabilities	174	452	166	433
Non-current lease liabilities	3,010	7,828	3,098	8,057
	<b>3,184</b>	<b>8,280</b>	3,264	8,490

	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>30 June 2023</b>				
Within one year	350	174	910	452
In 2 to 5 years	1,276	684	3,318	1,778
More than 5 years	3,507	2,326	9,121	6,050
<b>Lease liabilities</b>	<b>5,133</b>	<b>3,184</b>	<b>13,349</b>	<b>8,280</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>30 June 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
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,489</b>
<b>Nominal value in USD</b>				<b>175,523</b>

##### 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
		<b>674,887,430</b>	<b>100.00%</b>	<b>67,489</b>
<b>Nominal value in USD</b>				<b>175,523</b>

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

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>13. Term loans</b>				
Term loans	91,977	239,212	93,109	242,156
Less: current portion	(18,077)	(47,015)	(17,805)	(46,308)
Non-current portion	73,900	192,197	75,304	195,848
Less: unamortised transaction cost	(1,379)	(3,586)	(1,678)	(4,364)
	<b>72,521</b>	<b>188,611</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 30 June 2023 and 31 December 2022, the outstanding amounts were as follows:

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Commercial Facility	39,696	103,242	40,220	104,604
Hermes Covered Variable Facility	20,497	53,307	20,735	53,928
Hermes Covered Fixed Facility	13,083	34,026	13,235	34,422
KEXIM Direct Facility	12,738	33,129	12,886	33,514
KEXIM Covered Facility	5,963	15,508	6,033	15,688
	<b>91,977</b>	<b>239,212</b>	<b>93,109</b>	<b>242,156</b>

#### 14. Trade and other payables

Fuel gas payable and accrual	4,297	11,177	2,366	6,153
Due to related parties (note 15)	1,067	2,775	737	1,919
Accrued interest cost	909	2,362	867	2,255
Other payable and accruals	993	2,590	1,262	3,282
	<b>7,266</b>	<b>18,904</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.

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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 key management personnel for the six month period ended are as follows:

	30 June 2023 RO'000s	30 June 2023 USD'000s	30 June 2022 RO'000s	30 June 2022 USD'000s
Key management benefits	134	348	130	337

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

	30 June 2023 RO'000s	30 June 2023 USD'000s	30 June 2022 RO'000s	30 June 2022 USD'000s
<b>Entities exercising significant influence over the Company:</b>				
Suez-Tractebel Operation & Maintenance Oman LLC	3,360	8,736	3,375	8,779
Al Suwadi Power Company SAOG	202	525	150	390
Kahrabel Operations & Maintenance (Oman) LLC	76	197	75	196
Shikoku Electric Power Co., Inc.	70	182	38	98
International Power SA Dubai Branch	31	82	34	91
ENGIE SA	31	80	32	85
Middle East Investment LLC	15	39	16	40
Directors'	11	29	10	27
Sojitz Corporation	7	19	37	95
Public Authority for Social Insurance	7	18	8	21
	<b>3,810</b>	<b>9,907</b>	<b>3,775</b>	<b>9,822</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,127	8,132	3,175	8,259
Sharing of costs	192	500	145	376
Value added tax (VAT)	147	381	146	381
Secondment fees (note 4)	134	348	130	337
Capital & Initial spares	71	184	23	60
DSRA LC cost (note 5)	67	175	71	184
Professional fees	31	81	34	90
Custom duty (note 3)	18	46	2	5
Directors' sitting fees (note 4)	11	29	10	27
Backcharge of expenses	7	17	21	55
Other O&M expenses	4	11	-	-
Others	1	3	18	48
	<b>3,810</b>	<b>9,907</b>	<b>3,775</b>	<b>9,822</b>

## AL BATINAH POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 15 Related party transactions (continued)

	30 June 2023 RO'000s	30 June 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	76	197	15	40

*Balances due to related parties comprised:*

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

Suez-Tractebel Operation & Maintenance Oman LLC	922	2,399	615	1,600
Kahrabel Operations & Maintenance (Oman) LLC	70	182	48	126
ENGIE SA	22	58	4	11
Shikoku Electric Power Co., Inc.	16	41	11	29
Middle East Investment LLC	11	28	2	5
Directors'	10	25	21	55
International Power SA Dubai Branch	6	15	34	88
Sojitz Corporation	5	14	1	3
Public Authority for Social Insurance	5	13	1	2
	<b>1,067</b>	<b>2,775</b>	<b>737</b>	<b>1,919</b>

#### 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 six month period ended 30 June 2023.
- b) The Company has placed purchase orders for RO 109,217 (USD 284,050) which are outstanding as at 30 June 2023 [RO 118,844 (USD 309,087) as at 31 December 2022].

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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.

	<b>30 June 2023 RO'000s</b>	<b>30 June 2023 USD'000s</b>	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Net assets - shareholder funds	<b>116,615</b>	<b>303,291</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>172.79</b>	<b>449.40</b>	163.13	424.25

The management believes that the hedging surplus of RO 0.77 million [USD 1.99 million] as at 30 June 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>30 June 2023 RO'000s</b>	<b>30 June 2023 USD'000s</b>	30 June 2022 RO'000s	30 June 2022 USD'000s
Net profit for the period	<b>6,524</b>	<b>16,968</b>	6,089	15,837
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>9.67</b>	<b>25.14</b>	9.02	23.47