

AL BATINAH POWER COMPANY SAOG

Unaudited condensed interim financial statements

30 September 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 September 2023

<i>Contents</i>	<i>Page</i>
Unaudited condensed income statement	1
Unaudited condensed statement of profit or loss and other comprehensive income	2
Unaudited condensed statement of financial position	3
Unaudited condensed statement of cash flows	4
Unaudited condensed statement of changes in equity	5 to 6
Notes to the unaudited condensed interim financial statements	7 to 16

AL BATINAH POWER COMPANY SAOG

Unaudited condensed income statement

for the nine month period ended 30 September

	Notes	2023 RO'000s	2023 USD'000s	2022 RO'000s	2022 USD'000s
Revenues		53,785	139,883	56,322	146,480
Direct costs	3	(32,716)	(85,087)	(35,109)	(91,310)
Gross profit		21,069	54,796	21,213	55,170
Other income		293	761	-	-
General and administrative expenses	4	(588)	(1,529)	(568)	(1,476)
Profit before interest and tax		20,774	54,028	20,645	53,694
Finance costs	5	(4,608)	(11,984)	(5,213)	(13,557)
Finance income		152	394	52	135
Profit before tax		16,318	42,438	15,484	40,272
Tax expense		(1,624)	(4,223)	(1,142)	(2,971)
Net profit for the period		14,694	38,215	14,342	37,301
Earnings per share					
Basic earnings per share (Baizas / cents)	19	21.77	56.62	21.25	55.27

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 nine month period ended 30 September*

	2023	2023	2022	2022
	RO'000s	USD'000s	RO'000s	USD'000s
Net profit for the period	14,694	38,215	14,342	37,301
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Cash flow hedges - effective portion of changes in fair value	307	800	5,390	14,017
Total comprehensive income for the period	15,001	39,015	19,732	51,318

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 September 2023 RO'000s	30 September 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Assets					
Non-current assets					
Property, plant and equipment	6	218,481	568,226	224,065	582,750
Right-of-use assets	7	2,594	6,745	2,772	7,208
Derivative instruments		2,423	6,301	2,312	6,011
Total non-current assets		223,498	581,272	229,149	595,969
Current assets					
Inventory		2,700	7,024	2,606	6,778
Trade and other receivables	8	9,786	25,448	2,342	6,091
Short term deposit	9	-	-	192	500
Cash and cash equivalents	10	24,014	62,453	3,250	8,452
Total current assets		36,500	94,925	8,390	21,821
Total assets		259,998	676,197	237,539	617,790
Equity and liabilities					
Equity					
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		48,437	125,974	33,743	87,759
Equity before hedging reserve		124,785	324,538	110,091	286,323
Hedging reserve	12(c)	671	1,745	364	945
Equity		125,456	326,283	110,455	287,268
Liabilities					
Non-current liabilities					
Term loans	13	72,643	188,928	73,626	191,484
Lease liabilities	11	2,916	7,583	3,098	8,057
Derivative instruments		1,634	4,249	1,884	4,899
Deferred tax liability		24,810	64,527	24,594	63,967
Asset retirement obligation		350	911	337	876
End of service benefits		6	16	38	99
Total non-current liabilities		102,359	266,214	103,577	269,382
Current liabilities					
Current tax liabilities		1,463	3,803	304	790
Trade and other payables	14	12,512	32,542	5,232	13,609
Lease liabilities - current	11	131	340	166	433
Term loans - current	13	18,077	47,015	17,805	46,308
Total current liabilities		32,183	83,700	23,507	61,140
Total liabilities		134,542	349,914	127,084	330,522
Total equity and liabilities		259,998	676,197	237,539	617,790
Net assets per share (Baizas / cents) - adjusted	18	184.90	480.88	163.13	424.25

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 25 October 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 nine month period ended 30 September

	Notes	2023 RO'000s	2023 USD'000s	2022 RO'000s	2022 USD'000s
Cash flows from operating activities:					
Profit before tax		16,318	42,438	15,484	40,272
<i>Adjustments for:</i>					
Depreciation		5,762	14,988	5,766	14,996
Finance costs		4,608	11,984	5,213	13,557
Finance income		(152)	(394)	(52)	(135)
Unamortised transaction cost		27	70	-	-
Gain on disposals		(6)	(15)	(1)	(2)
End of service benefits		4	9	5	13
Other income		(293)	(761)	-	-
Cash from operations before working capital changes		26,268	68,319	26,415	68,701
Changes in :					
Trade and other receivables		(7,085)	(18,425)	5,497	14,301
Inventory		(94)	(246)	(30)	(79)
Trade and other payables		7,157	18,611	(2,989)	(7,778)
Cash flows generated from operating activities		26,246	68,259	28,893	75,145
Income tax paid		(304)	(790)	-	-
End of service benefits paid		(36)	(92)	-	-
Net cash flows generated from operating activities		25,906	67,377	28,893	75,145
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(0)	(1)	(21)	(54)
Sale proceeds from property, plant and equipment		6	15	3	7
Net cash flows generated from (used in) investing activities		6	14	(18)	(47)
Cash flows from financing activities:					
Repayment of term loans		(1,186)	(3,085)	(1,602)	(4,165)
Finance costs paid		(4,022)	(10,461)	(4,500)	(11,704)
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		(218)	(567)	(200)	(522)
Interest received		86	223	21	53
Net cash flows (used in) financing activities		(5,148)	(13,390)	(7,514)	(19,545)
Net change in cash and cash equivalents		20,764	54,001	21,361	55,553
Cash and cash equivalents at beginning of the period	10	3,250	8,452	809	2,105
Cash and cash equivalents at end of the period	10	24,014	62,453	22,170	57,658

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 nine month period ended 30 September

	Share capital RO'000s	Legal reserve RO'000s	Retained earnings RO'000s	Hedging reserve RO'000s	Total RO'000s
Balance at 1 January 2023	67,489	8,859	33,743	364	110,455
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	14,694	-	14,694
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	307	307
<i>Total comprehensive income for the period</i>	-	-	14,694	307	15,001
Balance at 30 September 2023	67,489	8,859	48,437	671	125,456
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	-	-	14,342	-	14,342
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	5,390	5,390
<i>Total comprehensive income for the period</i>	-	-	14,342	5,390	19,732
<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 September 2022	67,489	7,642	40,507	(288)	115,350

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 nine month period ended 30 September

	Share capital USD'000s	Legal reserve USD'000s	Retained earnings USD'000s	Hedging reserve USD'000s	Total USD'000s
Balance at 1 January 2023	175,523	23,041	87,759	945	287,268
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	38,215	-	38,215
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	800	800
<i>Total comprehensive income for the period</i>	-	-	38,215	800	39,015
Balance at 30 September 2023	175,523	23,041	125,974	1,745	326,283
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	-	-	37,301	-	37,301
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	14,017	14,017
<i>Total comprehensive income for the period</i>	-	-	37,301	14,017	51,318
<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 September 2022	175,523	19,876	105,351	(753)	299,997

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 September 2023 RO'000s	30 September 2023 USD'000s	30 September 2022 RO'000s	30 September 2022 USD'000s
3. Direct costs				
Fuel gas	20,012	52,048	22,773	59,227
Depreciation on property plant and equipment (note 6)	5,578	14,510	5,583	14,520
Operation and maintenance ("O&M") fees (note 15)	5,019	13,053	5,025	13,068
Seawater extraction	818	2,126	804	2,090
Insurance	506	1,316	495	1,289
Custom duty (note 15)	404	1,051	2	5
Depreciation on right of use assets (note 7)	178	463	178	463
Fuel oil	33	84	65	170
Grid connection fee	10	25	11	28
Other direct costs	158	411	173	450
	32,716	85,087	35,109	91,310
4. General and administrative expenses				
Secondment fees (note 15)	201	523	195	507
Employment costs	127	331	136	354
Public company related costs	59	155	64	166
Agency fees	43	112	39	102
Corporate social responsibility	30	77	7	17
Directors' sitting fees (note 15)	16	40	15	40
Office rent	14	37	14	35
Depreciation on property plant and equipment (note 6)	6	15	5	13
Other general and administrative expenses	92	239	93	242
	588	1,529	568	1,476
5 (a) Finance costs				
Interest on term loans and swap interests	3,821	9,937	4,324	11,247
Amortisation of deferred finance costs	448	1,165	532	1,383
Debt Service Reserve Account ("DSRA")				
LC cost (note 15)	141	367	143	372
Interest on lease liabilities	137	355	144	374
Exchange loss	37	96	32	82
Asset retirement obligation - unwinding of discount	13	35	16	41
Interest on short term borrowing	11	29	22	58
	4,608	11,984	5,213	13,557
5 (b) Finance income				
Interest income	152	394	52	135
	152	394	52	135

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
Cost				
1 January 2023	296,552	1,713	135	298,400
Addition during the period	-	-	0	0
Disposal during the period	-	-	(16)	(16)
30 September 2023	<u>296,552</u>	<u>1,713</u>	<u>119</u>	<u>298,384</u>
Depreciation				
1 January 2023	73,595	617	123	74,335
Charge during the period	5,527	51	6	5,584
Disposal during the period	-	-	(16)	(16)
30 September 2023	<u>79,122</u>	<u>668</u>	<u>113</u>	<u>79,903</u>
Carrying amount				
30 September 2023	<u>217,430</u>	<u>1,045</u>	<u>6</u>	<u>218,481</u>
31 December 2022	<u>222,957</u>	<u>1,096</u>	<u>12</u>	<u>224,065</u>
Property, plant and equipment USD'000s				
	Property, plant and equipment USD'000s	Technical Spares USD'000s	Other assets USD'000s	Total USD'000s
Cost				
1 January 2023	771,268	4,456	352	776,076
Addition during the period	-	-	1	1
Disposal during the period	-	-	(42)	(42)
30 September 2023	<u>771,268</u>	<u>4,456</u>	<u>311</u>	<u>776,035</u>
Depreciation				
1 January 2023	191,402	1,605	319	193,326
Charge during the period	14,377	133	15	14,525
Disposal during the period	-	-	(42)	(42)
30 September 2023	<u>205,779</u>	<u>1,738</u>	<u>292</u>	<u>207,809</u>
Carrying amount				
30 September 2023	<u>565,489</u>	<u>2,718</u>	<u>19</u>	<u>568,226</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
Cost			
1 January 2023	999	2,721	3,720
Addition during the period	-	-	-
30 September 2023	999	2,721	3,720
Depreciation			
1 January 2023	500	448	948
Charge during the period	94	84	178
30 September 2023	594	532	1,126
Carrying amount			
30 September 2023	405	2,189	2,594
31 December 2022	499	2,273	2,772
	Connection Equipment	Site Rent	Total
	USD'000s	USD'000s	RO'000s
Cost			
1 January 2023	2,599	7,076	9,675
Addition during the period	-	-	-
30 September 2023	2,599	7,076	9,675
Depreciation			
1 January 2023	1,300	1,167	2,467
Charge during the period	244	219	463
30 September 2023	1,544	1,386	2,930
Carrying amount			
30 September 2023	1,055	5,690	6,745
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 September 2023 RO'000s	30 September 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
8. Trade and other receivables				
Trade receivables	8,444	21,961	1,855	4,825
Prepayments	469	1,219	316	821
Due from a related party (note 15)	16	42	15	40
Accrued income	-	-	12	31
Other receivables	857	2,226	144	374
	9,786	25,448	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 September 2023 RO'000s	30 September 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
10. Cash and cash equivalents				
Short term deposits (less than 3 months)	10,920	28,400	-	-
Cash in hand and at bank	13,094	34,053	3,250	8,452
	24,014	62,453	3,250	8,452

11. Lease liabilities

	30 September 2023 RO'000s	30 September 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	131	340	166	433
Non-current lease liabilities	2,916	7,583	3,098	8,057
	3,047	7,923	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
30 September 2023				
Within one year	304	131	791	340
In 2 to 5 years	1,198	616	3,116	1,602
More than 5 years	3,455	2,300	8,987	5,981
Lease liabilities	4,957	3,047	12,894	7,923

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 September 2023				
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	44,086,913	6.53%	4,409
Ministry of Defence Pension Fund	Omani	34,900,737	5.17%	3,490
Shareholders with less than 5% shareholding		113,677,375	16.85%	11,369
		674,887,430	100.00%	67,489
Nominal value in USD				175,523
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
		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 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 September 2023 RO'000s	30 September 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
13. Term loans				
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	(1,257)	(3,269)	(1,678)	(4,364)
	72,643	188,928	73,626	191,484

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

	30 September 2023 RO'000s	30 September 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
	91,977	239,212	93,109	242,156
14. Trade and other payables				
Fuel gas payable and accrual	8,411	21,876	2,366	6,153
Due to related parties (note 15)	1,364	3,546	737	1,919
Accrued interest cost	991	2,577	867	2,255
Other payable and accruals	1,746	4,543	1,262	3,282
	12,512	32,542	5,232	13,609
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 nine month period ended are as follows:

	30 September 2023 RO'000s	30 September 2023 USD'000s	30 September 2022 RO'000s	30 September 2022 USD'000s
Key management benefits	201	523	195	507

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

	30 September 2023 RO'000s	30 September 2023 USD'000s	30 September 2022 RO'000s	30 September 2022 USD'000s
Entities exercising significant influence over the Company:				
Suez-Tractebel Operation & Maintenance Oman LLC	6,150	15,997	5,325	13,849
Al Suwadi Power Company SAOG	250	650	197	513
Kahrabel Operations & Maintenance (Oman) LLC	113	293	112	291
Shikoku Electric Power Co., Inc.	109	284	76	196
ENGIE SA	65	169	66	171
International Power SA Dubai Branch	31	81	45	117
Middle East Investment LLC	31	81	31	82
Directors'	16	40	15	40
Sojitz Corporation	16	40	45	117
Public Authority for Social Insurance	14	37	15	39
Engie Impact Belgium SA	-	-	1	2
	6,795	17,672	5,928	15,417

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	5,019	13,053	5,025	13,068
Custom duty	778	2,023	2	5
Value added tax (VAT)	280	727	232	604
Sharing of costs	238	620	190	494
Secondment fees (note 4)	201	523	195	507
DSRA LC cost (note 5)	141	367	143	372
Capital & Initial spares	70	183	23	60
Professional fees	31	81	45	117
Backcharge of expenses	16	42	9	22
Directors' sitting fees (note 4)	16	40	15	40
Other O&M expenses	4	11	30	77
Others	1	2	19	51
	6,795	17,672	5,928	15,417

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

	30 September 2023 RO'000s	30 September 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	16	42	15	40

Balances due to related parties comprised:

Entities exercising significant influence over the Company:

Suez-Tractebel Operation & Maintenance Oman LLC	1,116	2,903	615	1,600
Kahrabel Operations & Maintenance (Oman) LLC	105	273	48	126
ENGIE SA	57	147	4	11
Middle East Investment LLC	27	70	2	5
Shikoku Electric Power Co., Inc.	24	62	11	29
Sojitz Corporation	14	35	1	3
Public Authority for Social Insurance	12	32	1	2
International Power SA Dubai Branch	5	13	34	88
Directors'	4	11	21	55
	1,364	3,546	737	1,919

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 nine month period ended 30 September 2023.
- b) The Company has placed purchase orders for RO 236,369 (USD 614,745) which are outstanding as at 30 September 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.

	30 September 2023 RO'000s	30 September 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
Net assets - shareholder funds	124,785	324,538	110,091	286,323
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	184.90	480.88	163.13	424.25

The management believes that the hedging surplus of RO 0.67 million [USD 1.74 million] as at 30 September 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.

	30 September 2023 RO'000s	30 September 2023 USD'000s	30 September 2022 RO'000s	30 September 2022 USD'000s
Net profit for the period	14,694	38,215	14,342	37,301
Weighted average number of shares outstanding during the period ('000s)	674,887	674,887	674,887	674,887
Basic earnings per share (Baizas / cents)	21.77	56.62	21.25	55.27