

## BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Suwadi Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the three months ended March 2021.

### Operational Results

The ongoing COVID 19 pandemic that began in early 2020 has persisted. Nevertheless, due to our plant operator's timely implementation of staff work shift scheduling and meticulous staff safety precautions, the plant has witnessed seamless operation and has ran smoothly and efficiently. We appreciate the diligent services of STOMO, our plant operator. The plant delivered 1070 GWh to the Omani grid as compared to 762 GWh delivered in Q1 2020. The plant achieved an excellent reliability of 99.98%.

The plant successfully conducted the Annual Plant Performance test on 7<sup>th</sup> April 2021.

The Plant's good operational performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 3,560 Lost Time Accident free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

### Financial Results

	3 months 2021 RO'000s Unaudited	3 months 2020 RO'000s Unaudited	Percentage change
Revenues	13,835	11,042	25.3%
Direct costs	(13,592)	(10,312)	(31.8)%
Gross profit	243	730	(66.7)%
Profit before interest and tax	12	498	(97.7)%
Finance cost	(1,964)	(2,244)	12.5%
Profit(Loss) before tax	(1,952)	(1,746)	(11.8)%
Net profit (loss) for the period	(2,444)	(2,203)	(10.9)%

It be noted that contractually, the winter tariff is lower and the Q1 net loss will be largely recouped during summer period when the agreed tariff within the Power Purchase Agreement is substantially scaled up.

Due to the plant's high ranking in the merit order of dispatch, the plant generated over 40% higher power as compared to Q1 2020. Higher generation and excellent plant's reliability have seen 25.3% growth in revenue over Q1 2020. However, the final results have suffered due to higher direct plant operational and maintenance cost as explained below:

- Thermal inefficiency: The plant continued to suffer higher heat rate loss due to its inherent operational plant deficiencies - mainly when it generates power at unfavourable plant load and in simple cycle operation which become necessary during steam turbine inspection.
- Major plant inspection related cost: During Q1 2021, GT 12 saw an extended hot gas path inspection during which extensive damages were seen to its compressor blades and vanes. The cost of replacement of the damaged blades and vanes and other related parts has been substantial and has increased the O&M cost.

- Plant upgrades: Further, during the inspection, various upgrades to the plant and equipment were implemented as per Siemens' recommendations. While these upgrades enhance the plant's efficiency and reliability, the cost is steep and impacts the O&M cost.

In short, higher revenue from generation has not translated into higher net profit. Steady reduction in finance costs during the period has resulted in reducing the net loss suffered during the Q1 2021.

The Company continues to make concerted efforts to explore possibility of avoiding future cash sweep impediment (as agreed with the lenders within its financing documents). However, the current unfavourable international financial market situation and Oman's credit rating has not been helpful in achieving this. The Board will continue to follow-up and revisit the subject should the international financial market improve and it becomes feasible to pursue the exercise.

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

### **Corporate Social Responsibility**

Within its CSR initiative, the Company has decided to supply equipment and computer as support to the Ministry of Education and the Ministry of Health. The earmarked funds are expected to be spent in Q2 and Q3 of the current year.

### **Medium term Outlook**


During Q1 2021, major gas path inspection of one GT and also the routine maintenance of all other plant equipment have been accomplished. No major maintenance programme is scheduled for the next 6 months. This is in view of the peak power demand during the ensuing summer period when the full availability of the plant is a dire requirement for maintaining the stability of Oman's power grid.

All reasonable measures are being taken by the management to maintain high reliability level. Consequently, we expect a steady progress in the Company's financial performance.

### **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 Haitham Bin Tarik Al Said 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.

  
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Charles Paul Dexter  
Chairperson

## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed income statement

for the three month period ended 31 March

	Notes	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
Revenues		13,835	35,982	11,042	28,717
Direct costs	3	(13,592)	(35,350)	(10,312)	(26,818)
<b>Gross profit</b>		<b>243</b>	<b>632</b>	730	1,899
General and administrative expenses	4	(231)	(601)	(232)	(604)
<b>Profit before interest and tax</b>		<b>12</b>	<b>31</b>	498	1,295
Finance costs (net)	5	(1,964)	(5,106)	(2,244)	(5,836)
<b>Profit/(loss) before tax</b>		<b>(1,952)</b>	<b>(5,075)</b>	(1,746)	(4,541)
Tax expense		(492)	(1,280)	(457)	(1,189)
<b>Net profit/(loss) for the period</b>		<b>(2,444)</b>	<b>(6,355)</b>	(2,203)	(5,730)
<b>Earnings per share</b>					
Basic earnings per share (Baizas / cents)	19	(3.42)	(8.90)	(3.08)	(8.02)

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

**AL SUWADI POWER COMPANY SAOG****Unaudited condensed statement of profit or loss and other comprehensive income***for the three month period ended 31 March*

	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
<b>Net profit/(loss) for the period</b>	<b>(2,444)</b>	<b>(6,355)</b>	<b>(2,203)</b>	<b>(5,730)</b>
<b>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</b>				
<i>Item that will be reclassified to profit or loss</i>				
Cash flow hedges - effective portion of changes in fair value	<u>1,641</u>	<u>4,268</u>	<u>(5,258)</u>	<u>(13,675)</u>
<b>Total comprehensive income/(loss) for the period</b>	<b><u>(803)</u></b>	<b><u>(2,087)</u></b>	<b><u>(7,461)</u></b>	<b><u>(19,405)</u></b>

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


## AL SUWADI POWER COMPANY SAOG

## Unaudited condensed statement of financial position

as at

	Notes	31 March 2021 RO'000s	31 March 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	255,379	664,187	257,207	668,937
Right-of-use assets	7	1,047	2,720	1,083	2,815
Capital spares		638	1,659	610	1,586
<b>Total non-current assets</b>		<b>257,064</b>	<b>668,566</b>	<b>258,900</b>	<b>673,338</b>
<b>Current assets</b>					
Inventory		1,831	4,761	1,867	4,856
Trade and other receivables	8	10,907	28,366	40,987	106,600
Short term deposit	9	692	1,800	692	1,800
Cash and cash equivalents	10	260	676	267	695
<b>Total current assets</b>		<b>13,690</b>	<b>35,603</b>	<b>43,813</b>	<b>113,951</b>
<b>Total assets</b>		<b>270,754</b>	<b>704,169</b>	<b>302,713</b>	<b>787,289</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	12(a)	71,441	185,801	71,441	185,801
Legal reserve	12(b)	7,451	19,378	7,451	19,378
Retained earnings		20,143	52,392	22,587	58,747
<b>Equity before hedging reserve</b>		<b>99,035</b>	<b>257,571</b>	<b>101,479</b>	<b>263,926</b>
Hedging reserve	12(c)	(8,080)	(21,015)	(9,721)	(25,283)
<b>Equity</b>		<b>90,955</b>	<b>236,556</b>	<b>91,758</b>	<b>238,643</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Term loans	13	115,690	300,885	115,468	300,307
Lease liabilities	11	1,021	2,655	1,095	2,848
Derivative instruments		9,506	24,723	11,436	29,744
Deferred tax liability		22,264	57,901	21,480	55,870
Asset retirement obligation		316	822	310	807
<b>Total non-current liabilities</b>		<b>148,797</b>	<b>386,986</b>	<b>149,789</b>	<b>389,576</b>
<b>Current liabilities</b>					
Trade and other payables	14	11,775	30,621	41,835	108,795
Lease liabilities	11	128	334	126	328
Short term borrowing		2,014	5,238	2,120	5,513
Term loans	13	17,085	44,434	17,085	44,434
<b>Total current liabilities</b>		<b>31,002</b>	<b>80,627</b>	<b>61,166</b>	<b>159,070</b>
<b>Total liabilities</b>		<b>179,799</b>	<b>467,613</b>	<b>210,955</b>	<b>548,646</b>
<b>Total equity and liabilities</b>		<b>270,754</b>	<b>704,169</b>	<b>302,713</b>	<b>787,289</b>
<b>Net assets per share (Baizas / cents) - adjusted</b>	18	<b>138.63</b>	<b>360.54</b>	<b>142.05</b>	<b>369.43</b>

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2021.


  
 Chairperson


  
 Director

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



## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed statement of cash flows

for the three month period ended 31 March

	Notes	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
<b>Cash flows from operating activities:</b>					
Profit/(loss) before tax		(1,952)	(5,075)	(1,746)	(4,541)
<i>Adjustments for:</i>					
Depreciation		2,042	5,309	2,040	5,305
Finance costs (net)		1,964	5,106	2,244	5,836
Loss/(gain) on disposals		0	0	(0)	(0)
<b>Cash from operations before working capital changes</b>		<b>2,054</b>	<b>5,340</b>	<b>2,538</b>	<b>6,600</b>
<b>Changes in :</b>					
Trade and other receivables		30,082	78,234	(6,123)	(15,924)
Inventory		36	94	1	3
Trade and other payables		(30,263)	(78,705)	6,537	17,002
<b>Cash generated from operating activities</b>		<b>1,909</b>	<b>4,963</b>	<b>2,953</b>	<b>7,681</b>
End of service benefits paid		-	-	(8)	(21)
<b>Net cash flows generated from operating activities</b>		<b>1,909</b>	<b>4,963</b>	<b>2,945</b>	<b>7,660</b>
<b>Cash flows from investing activities:</b>					
Acquisition of property, plant and equipment		(178)	(464)	(18)	(47)
Sale proceeds from property, plant and equipment		(0)	(0)	0	0
<b>Net cash flows (used in) investing activities</b>		<b>(178)</b>	<b>(464)</b>	<b>(18)</b>	<b>(47)</b>
<b>Cash flows from financing activities:</b>					
Finance costs paid		(1,542)	(4,010)	(1,734)	(4,510)
Proceeds from short term borrowing - net		(106)	(275)	(850)	(2,211)
Lease payments		(90)	(233)	(90)	(234)
Interest received		-	0	0	0
<b>Net cash flows (used in) financing activities</b>		<b>(1,738)</b>	<b>(4,518)</b>	<b>(2,674)</b>	<b>(6,955)</b>
<b>Net change in cash and cash equivalents</b>		<b>(7)</b>	<b>(19)</b>	<b>253</b>	<b>658</b>
<b>Cash and cash equivalents at beginning of the period</b>	10	<b>267</b>	<b>695</b>	<b>291</b>	<b>757</b>
<b>Cash and cash equivalents at end of the period</b>	10	<b>260</b>	<b>676</b>	<b>544</b>	<b>1,415</b>

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

## AL SUWADI POWER COMPANY SAOG

### Unaudited condensed statement of changes in equity

for the three month period ended 31 March

	Share capital RO'000s	Legal reserve RO'000s	Retained earnings RO'000s	Hedging reserve RO'000s	Total RO'000s
<b>Balance at 1 January 2021</b>	<b>71,441</b>	<b>7,451</b>	<b>22,587</b>	<b>(9,721)</b>	<b>91,758</b>
<i>Total comprehensive income/(loss) for the period</i>					
Net profit/(loss) for the period	-	-	(2,444)	-	(2,444)
<i>Other comprehensive income/(loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	1,641	1,641
Total comprehensive income/(loss) for the period	-	-	(2,444)	1,641	(803)
<b>Balance at 31 March 2021</b>	<b>71,441</b>	<b>7,451</b>	<b>20,143</b>	<b>(8,080)</b>	<b>90,955</b>
Balance at 1 January 2020	71,441	6,367	17,477	(7,153)	88,132
<i>Total comprehensive income/(loss) for the period</i>					
Net profit/(loss) for the period	-	-	(2,203)	-	(2,203)
<i>Other comprehensive income/(loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(5,258)	(5,258)
Total comprehensive income/(loss) for the period	-	-	(2,203)	(5,258)	(7,461)
Balance at 31 March 2020	71,441	6,367	15,274	(12,411)	80,671
	Share capital USD'000s	Legal reserve USD'000s	Retained earnings USD'000s	Hedging reserve USD'000s	Total USD'000s
<b>Balance at 1 January 2021</b>	<b>185,801</b>	<b>19,378</b>	<b>58,747</b>	<b>(25,283)</b>	<b>238,643</b>
<i>Total comprehensive income/(loss) for the period</i>					
Net profit/(loss) for the period	-	-	(6,355)	-	(6,355)
<i>Other comprehensive income/(loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	4,268	4,268
Total comprehensive income/(loss) for the period	-	-	(6,355)	4,268	(2,087)
<b>Balance at 31 March 2021</b>	<b>185,801</b>	<b>19,378</b>	<b>52,392</b>	<b>(21,015)</b>	<b>236,556</b>
Balance at 1 January 2020	185,801	16,559	45,455	(18,604)	229,211
<i>Total comprehensive income/(loss) for the period</i>					
Net profit/(loss) for the period	-	-	(5,730)	-	(5,730)
<i>Other comprehensive income/(loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(13,675)	(13,675)
Total comprehensive income/(loss) for the period	-	-	(5,730)	(13,675)	(19,405)
Balance at 31 March 2020	185,801	16,559	39,725	(32,279)	209,806

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

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 1 Legal status and principal activities

Al Suwadi 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 Barka 3 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. Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 4 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 the 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 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 SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	31 March 2021 RO'000s	31 March 2021 USD'000s	31 March 2020 RO'000s	31 March 2020 USD'000s
<b>3. Direct costs</b>				
Fuel gas	9,227	23,998	6,493	16,888
Depreciation (note 6 & 7)	2,038	5,300	2,037	5,298
Operation and maintenance ("O&M") fees (note 15)	1,711	4,450	1,607	4,179
Insurance	144	376	116	302
Fuel oil	36	94	-	-
Custom duties (note 15)	30	79	17	45
Grid connection fee	5	12	4	10
Other O&M expenses	401	1,041	38	96
	<b>13,592</b>	<b>35,350</b>	<b>10,312</b>	<b>26,818</b>
<b>4. General and administrative expenses</b>				
Public company related costs	75	196	76	198
Secondment fees (note 15)	61	160	58	152
Employment costs	43	112	39	100
Agency fees	13	34	13	34
Directors' sitting fees (note 15)	6	15	5	13
Office rent	4	11	5	13
Depreciation (note 6)	4	9	3	7
Other general and administrative expenses	25	64	33	87
	<b>231</b>	<b>601</b>	<b>232</b>	<b>604</b>
<b>5. Finance costs (net)</b>				
Interest on term loans	939	2,442	1,581	4,111
Swap interest	734	1,909	343	891
Amortisation of deferred finance costs	222	578	250	650
Interest on short term borrowing	23	60	24	64
Debt Service Reserve Account ("DSRA") LC cost (note 15)	18	47	21	54
Interest on lease liabilities	18	46	20	51
Asset retirement obligation - unwinding of discount	6	15	5	14
Exchange loss	4	10	6	17
Interest income	(0)	(1)	(6)	(16)
	<b>1,964</b>	<b>5,106</b>	<b>2,244</b>	<b>5,836</b>

## AL SUWADI 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
<b>Cost</b>					
1 January 2021	318,090	1,727	111	9	319,937
Addition during the period	5	3	1	169	178
Disposal during the period	-	-	(6)	-	(6)
31 March 2021	<u>318,095</u>	<u>1,730</u>	<u>106</u>	<u>178</u>	<u>320,109</u>
<b>Depreciation</b>					
1 January 2021	62,155	483	92	-	62,730
Charge during the period	1,984	18	4	-	2,006
Disposal during the period	-	-	(6)	-	(6)
31 March 2021	<u>64,139</u>	<u>501</u>	<u>90</u>	<u>-</u>	<u>64,730</u>
<b>Carrying amount</b>					
31 March 2021	<u>253,956</u>	<u>1,229</u>	<u>16</u>	<u>178</u>	<u>255,379</u>
31 December 2020	<u>255,935</u>	<u>1,244</u>	<u>19</u>	<u>9</u>	<u>257,207</u>
<b>Property, plant and equipment - USD'000s</b>					
	Property, plant and equipment USD'000s	Technical Spares USD'000s	Other assets USD'000s	Capital Work-in- progress USD'000s	Total USD'000s
<b>Cost</b>					
1 January 2021	827,282	4,491	290	23	832,086
Addition during the period	14	8	2	440	464
Disposal during the period	-	-	(17)	-	(17)
31 March 2021	<u>827,296</u>	<u>4,499</u>	<u>275</u>	<u>463</u>	<u>832,533</u>
<b>Depreciation</b>					
1 January 2021	161,651	1,256	242	-	163,149
Charge during the period	5,160	45	9	-	5,214
Disposal during the period	-	-	(17)	-	(17)
31 March 2021	<u>166,811</u>	<u>1,301</u>	<u>234</u>	<u>-</u>	<u>168,346</u>
<b>Carrying amount</b>					
31 March 2021	<u>660,485</u>	<u>3,198</u>	<u>41</u>	<u>463</u>	<u>664,187</u>
31 December 2020	<u>665,631</u>	<u>3,235</u>	<u>48</u>	<u>23</u>	<u>668,937</u>

## AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

## 7. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
<b>Cost</b>			
1 January 2021	1,100	274	1,374
Addition during the period	-	-	-
31 March 2021	1,100	274	1,374
<b>Depreciation</b>			
1 January 2020	275	16	291
Charge during the period	34	2	36
31 March 2021	309	18	327
<b>Carrying amount</b>			
31 March 2021	791	256	1,047
31 December 2020	825	258	1,083
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
<b>Cost</b>			
1 January 2021	2,861	713	3,574
Addition during the period	-	-	-
31 March 2021	2,861	713	3,574
<b>Depreciation</b>			
1 January 2020	717	42	759
Charge during the period	90	5	95
31 March 2021	807	47	854
<b>Carrying amount</b>			
31 March 2021	2,054	666	2,720
31 December 2020	2,144	671	2,815

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 SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	31 March 2021 RO'000s	31 March 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
<b>8. Trade and other receivables</b>				
Trade receivables	10,741	27,934	40,605	105,605
Prepayments	127	330	329	856
Other receivables	39	102	36	94
Accrued income	-	-	17	45
	<b>10,907</b>	<b>28,366</b>	40,987	106,600

**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 lying in the DSPA account as at 31 December 2020 has been placed into a short term deposit maturing on 27 April 2021.

	31 March 2021 RO'000s	31 March 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
<b>10. Cash and cash equivalents</b>				
Cash in hand	1	2	1	4
Cash at bank	259	674	266	691
	<b>260</b>	<b>676</b>	267	695

**11. Lease liabilities**

Lease liabilities included in the statement of financial position as:

Current lease liabilities	128	334	126	328
Non-current lease liabilities	1,021	2,655	1,095	2,848
	<b>1,149</b>	<b>2,989</b>	1,221	3,176

	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
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**31 March 2021****Amount payable under operating leases**

Within one year	196	128	511	334
In 2 to 5 years	786	606	2,045	1,575
More than 5 years	649	415	1,687	1,080
	<b>1,631</b>	<b>1,149</b>	<b>4,243</b>	<b>2,989</b>
Less: unpaid finance cost	(482)	-	(1,254)	-
<b>Lease liabilities</b>	<b>1,149</b>	<b>1,149</b>	<b>2,989</b>	<b>2,989</b>

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 12. Equity

#### (a) Share capital

The details of the shareholders are as follows:

	Nationality	No. of shares held of nominal value 100 Bzs. each	% of total	Aggregate nominal value of shares held RO '000
<b>31 March 2021</b>				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,750,331	10.74%	7,675
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	46,558,814	6.52%	4,656
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		127,950,812	17.91%	12,795
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
<b>Nominal value in USD '000</b>				<u><b>185,801</b></u>
<b>31 December 2020</b>				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,750,331	10.74%	7,675
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
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Public Authority for Social Insurance	Omani	46,558,814	6.52%	4,656
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		127,950,812	17.91%	12,795
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
<b>Nominal value in USD '000</b>				<u><b>185,801</b></u>

The Company has authorized, issued and paid-up share capital of RO 71,440,634 consisting of 714,406,340 shares of RO 0.1 each (31 December 2020: RO 71,440,634 consisting of 714,406,340 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 profit, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at least 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 SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

	31 March 2021 RO'000s	31 March 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
<b>13. Term loans</b>				
Term loans	135,640	352,770	135,640	352,770
Less: current portion	(17,085)	(44,434)	(17,085)	(44,434)
Non-current portion	118,555	308,336	118,555	308,336
Less: unamortised transaction cost	(2,865)	(7,451)	(3,087)	(8,029)
	<b>115,690</b>	<b>300,885</b>	115,468	300,307

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

At 31 March 2021 and 31 December 2020, the outstanding amounts were as follows:

Hermes Covered Variable Facility	34,715	90,285	34,715	90,285
Commercial Facility	41,861	108,871	41,861	108,871
KEXIM Direct Facility	24,740	64,344	24,740	64,344
Hermes Covered Fixed Facility	21,363	55,560	21,363	55,560
KEXIM Covered Facility	12,961	33,710	12,961	33,710
	<b>135,640</b>	<b>352,770</b>	135,640	352,770

### 14. Trade and other payables

Fuel gas payable and accrual	9,228	23,998	39,876	103,705
Accrued finance cost	1,374	3,573	1,217	3,162
Due to related parties (note 15)	1,058	2,753	546	1,422
Other payables and accruals	115	297	196	506
	<b>11,775</b>	<b>30,621</b>	41,835	108,795

### 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.

#### 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 three month period ended are as follows:

	31 March 2021 RO'000s	31 March 2021 USD'000s	31 March 2020 RO'000s	31 March 2020 USD'000s
Key management benefits	82	215	79	205

## AL SUWADI POWER COMPANY SAOG

### Notes to the unaudited condensed interim financial statements

#### 15. Related party transactions (continued)

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

	31 March 2021 RO'000s	31 March 2021 USD'000s	31 March 2020 RO'000s	31 March 2020 USD'000s
<b>Shareholders:</b>				
Middle East Investment LLC	32	83	31	81
Public Authority for Social Insurance	2	5	2	5
<b>Group companies and other related parties:</b>				
Suez-Tractebel Operation & Maintenance Oman LLC	2,308	6,004	1,623	4,222
Al Batinah Power Company SAOG	143	372	66	172
Kahrabel Operations & Maintenance (Oman) LLC	34	89	33	86
International Power SA Dubai Branch	10	25	34	88
ENGIE SA	8	22	10	26
Directors'	6	15	5	13
Sojitz Corporation	2	5	2	5
Shikoku Electric Power Co., Inc.	2	5	2	5
	<b>2,547</b>	<b>6,625</b>	<b>1,808</b>	<b>4,703</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	1,711	4,450	1,607	4,179
Other O&M expenses	370	963	(2)	(5)
Plant, capital spares and technical spares	196	510	-	-
Sharing of costs	143	372	66	172
Secondment fees (note 4)	61	160	58	152
Custom duties (note 3)	30	79	17	45
DSRA LC cost (note 5)	18	47	21	54
Professional fees	10	25	34	88
Directors' sitting fees (note 4)	6	15	5	13
Backcharge of expenses	2	4	2	5
	<b>2,547</b>	<b>6,625</b>	<b>1,808</b>	<b>4,703</b>

	31 March 2021 RO'000s	31 March 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
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Balances due to related parties comprised:

<b>Shareholders:</b>				
Middle East Investment LLC	16	42	12	31
Public Authority for Social Insurance	3	8	1	3
<b>Group companies and other related parties:</b>				
Suez-Tractebel Operation & Maintenance Oman LLC	956	2,487	423	1,101
Al Batinah Power Company SAOG	38	98	39	101
ENGIE SA	14	37	6	15
International Power SA Dubai Branch	11	29	2	5
Kahrabel Operations & Maintenance (Oman) LLC	11	27	36	95
Shikoku Electric Power Co., Inc.	3	9	1	4
Sojitz Corporation	3	9	1	4
Tractebel Engineering S.A.	3	7	3	7
Directors'	-	-	22	56
	<b>1,058</b>	<b>2,753</b>	<b>546</b>	<b>1,422</b>

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 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 three month period ended 31 March 2021.
- b) The Company has placed purchase orders for RO 327,469 (USD 851,674) which are outstanding as at 31 March 2021 [RO 688,815 (USD 1,791,456) as at 31 December 2020].

### 18. Net assets per share - adjusted

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

	<b>31 March 2021 RO'000s</b>	<b>31 March 2021 USD'000s</b>	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Net assets - shareholder funds	<b>99,035</b>	<b>257,571</b>	101,479	263,926
Weighted average number of shares outstanding during the period/year ('000s)	<b>714,406</b>	<b>714,406</b>	714,406	714,406
Net asset per share (Baizas / cents) - adjusted	<b>138.63</b>	<b>360.54</b>	142.05	369.43

The management believes that the hedging deficit of RO 8.08 million (USD 21.02 million) as at 31 March 2021 [RO 9.72 million (USD 25.28 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 Total Equity.

### 19. Basic earnings per share

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

	<b>31 March 2021 RO'000s</b>	<b>31 March 2021 USD'000s</b>	31 March 2020 RO'000s	31 March 2020 USD'000s
Net profit for the period	<b>(2,444)</b>	<b>(6,355)</b>	(2,203)	(5,730)
Weighted average number of shares outstanding during the period ('000s)	<b>714,406</b>	<b>714,406</b>	714,406	714,406
Basic earnings per share (Baizas / cents)	<b>(3.42)</b>	<b>(8.90)</b>	(3.08)	(8.02)