

**AL SUWADI 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:**

Hai Asam  
Barka  
Sultanate of Oman

# **AL SUWADI POWER COMPANY SAOG**

## **Unaudited condensed interim financial statements**

*30 June 2023*

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## AL SUWADI 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		40,676	105,790	40,446	105,190
Direct costs	3	(29,102)	(75,688)	(29,065)	(75,589)
<b>Gross profit</b>		<b>11,574</b>	<b>30,102</b>	11,381	29,601
Other income		222	577	54	139
General and administrative expenses	4	(423)	(1,099)	(409)	(1,062)
<b>Profit before interest and tax</b>		<b>11,373</b>	<b>29,580</b>	11,026	28,678
Finance costs	5 (a)	(3,205)	(8,337)	(3,586)	(9,326)
Finance income	5 (b)	10	25	1	1
<b>Profit before tax</b>		<b>8,178</b>	<b>21,268</b>	7,441	19,353
Tax expense		(1,214)	(3,155)	(1,064)	(2,768)
<b>Net profit for the period</b>		<b>6,964</b>	<b>18,113</b>	6,377	16,585
<b>Earnings per share</b>					
Basic earnings per share (Baizas / cents)	18	9.75	25.35	8.93	23.21

The attached notes 1 to 18 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 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>6,964</b>	<b>18,113</b>	6,377	16,585
<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	467	1,214	4,088	10,631
<b>Total comprehensive income for the period</b>	<b>7,431</b>	<b>19,327</b>	10,465	27,216

The attached notes 1 to 18 form part of these condensed interim financial statements.

## AL SUWADI 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	237,601	617,944	241,559	628,241
Right-of-use assets	7	720	1,871	793	2,060
Derivative instruments		2,630	6,839	2,570	6,683
<b>Total non-current assets</b>		<b>240,951</b>	<b>626,654</b>	<b>244,922</b>	<b>636,984</b>
<b>Current assets</b>					
Inventories		2,703	7,031	2,688	6,993
Trade and other receivables	8	10,788	28,058	6,249	16,251
Cash and cash equivalents	9	9,282	24,141	1,865	4,852
<b>Total current assets</b>		<b>22,773</b>	<b>59,230</b>	<b>10,802</b>	<b>28,096</b>
<b>Total assets</b>		<b>263,724</b>	<b>685,884</b>	<b>255,724</b>	<b>665,080</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	11(a)	71,441	185,801	71,441	185,801
Legal reserve	11(b)	9,877	25,687	9,877	25,687
Retained earnings		41,382	107,626	34,418	89,513
Equity before hedging reserve		122,700	319,114	115,736	301,001
Hedging reserve	11(c)	910	2,369	443	1,155
<b>Equity</b>		<b>123,610</b>	<b>321,483</b>	<b>116,179</b>	<b>302,156</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Term loans	12	77,686	202,043	79,311	206,269
Lease liabilities	10	748	1,947	817	2,124
Derivative instruments		1,558	4,052	2,048	5,325
Deferred tax liability		27,004	70,232	26,817	69,746
Asset retirement obligation		382	992	371	966
<b>Total non-current liabilities</b>		<b>107,378</b>	<b>279,266</b>	<b>109,364</b>	<b>284,430</b>
<b>Current liabilities</b>					
Current tax liabilities		1,108	2,882	683	1,776
Trade and other payables	13	12,068	31,382	10,383	27,004
Lease liabilities	10	149	386	144	374
Term loans	12	19,411	50,485	18,971	49,340
<b>Total current liabilities</b>		<b>32,736</b>	<b>85,135</b>	<b>30,181</b>	<b>78,494</b>
<b>Total liabilities</b>		<b>140,114</b>	<b>364,401</b>	<b>139,545</b>	<b>362,924</b>
<b>Total equity and liabilities</b>		<b>263,724</b>	<b>685,884</b>	<b>255,724</b>	<b>665,080</b>
Net assets per share (Baizas / cents) - adjusted	1*	171.75	446.68	162.00	421.33

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 16 July 2023.



Chairperson



Director

The attached notes 1 to 18 form part of these condensed interim financial statements

# AL SUWADI 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		8,178	21,268	7,441	19,353
<i>Adjustments for:</i>					
Depreciation		4,085	10,625	4,079	10,606
Finance costs		3,205	8,337	3,586	9,326
Finance income		(10)	(25)	(1)	(1)
Gain on disposals		-	-	(4)	(11)
Other income		(222)	(577)	(54)	(139)
<b>Cash from operations before working capital changes</b>		<b>15,236</b>	<b>39,628</b>	<b>15,047</b>	<b>39,134</b>
<b>Changes in :</b>					
Trade and other receivables		(4,316)	(11,227)	22,154	57,616
Inventories		(15)	(38)	(42)	(111)
Trade and other payables		1,601	4,161	(22,925)	(59,616)
<b>Cash generated from operating activities</b>		<b>12,506</b>	<b>32,524</b>	<b>14,234</b>	<b>37,023</b>
Income tax paid		(683)	(1,776)	-	-
<b>Net cash flows generated from operating activities</b>		<b>11,823</b>	<b>30,748</b>	<b>14,234</b>	<b>37,023</b>
<b>Cash flows from investing activities:</b>					
Acquisition of property, plant and equipment		(55)	(142)	(161)	(421)
Sale proceeds from property, plant and equipment		-	-	15	39
<b>Net cash flows (used in) investing activities</b>		<b>(55)</b>	<b>(142)</b>	<b>(146)</b>	<b>(382)</b>
<b>Cash flows from financing activities:</b>					
Finance costs paid		(2,805)	(7,296)	(3,205)	(8,334)
Repayment of term loans		(1,508)	(3,921)	(1,853)	(4,820)
Repayment of short term borrowings - net		-	-	(1,450)	(3,771)
Maturity of short term deposit		-	-	884	2,300
Dividend paid		-	-	(1,786)	(4,645)
Lease payments - Principal		(47)	(122)	(42)	(112)
Interest received		9	22	1	2
<b>Net cash flows (used in) financing activities</b>		<b>(4,351)</b>	<b>(11,317)</b>	<b>(7,451)</b>	<b>(19,380)</b>
<b>Net change in cash and cash equivalents</b>		<b>7,417</b>	<b>19,289</b>	<b>6,637</b>	<b>17,261</b>
<b>Cash and cash equivalents at beginning of the period</b>	9	<b>1,865</b>	<b>4,852</b>	<b>445</b>	<b>1,158</b>
<b>Cash and cash equivalents at end of the period</b>	9	<b>9,282</b>	<b>24,141</b>	<b>7,082</b>	<b>18,419</b>

The attached notes 1 to 18 form part of these condensed interim financial statements.

## AL SUWADI 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>71,441</b>	<b>9,877</b>	<b>34,418</b>	<b>443</b>	<b>116,179</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	6,964	-	6,964
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	467	467
Total comprehensive income for the period	-	-	6,964	467	7,431
<b>Balance at 30 June 2023</b>	<b>71,441</b>	<b>9,877</b>	<b>41,382</b>	<b>910</b>	<b>123,610</b>
Balance at 1 January 2022	71,441	8,585	28,144	(6,091)	102,079
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	6,377	-	6,377
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	4,088	4,088
Total comprehensive income for the period	-	-	6,377	4,088	10,465
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(1,786)	-	(1,786)
Total transaction with owners of the Company	-	-	(1,786)	-	(1,786)
Balance at 30 June 2022	71,441	8,585	32,735	(2,003)	110,758

The attached notes 1 to 18 form part of these condensed interim financial statements.

## AL SUWADI 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>185,801</b>	<b>25,687</b>	<b>89,513</b>	<b>1,155</b>	<b>302,156</b>
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	18,113	-	18,113
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	1,214	1,214
Total comprehensive income for the period	-	-	18,113	1,214	19,327
<b>Balance at 30 June 2023</b>	<b>185,801</b>	<b>25,687</b>	<b>107,626</b>	<b>2,369</b>	<b>321,483</b>
Balance at 1 January 2022	185,801	22,326	73,203	(15,841)	265,489
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	16,585	-	16,585
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	10,631	10,631
Total comprehensive income for the period	-	-	16,585	10,631	27,216
<i>Transaction with owners of the Company</i>					
Contribution and distribution					
Dividend	-	-	(4,645)	-	(4,645)
Total transaction with owners of the Company	-	-	(4,645)	-	(4,645)
Balance at 30 June 2022	185,801	22,326	85,143	(5,210)	288,060

The attached notes 1 to 18 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 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 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 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 SUWADI 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	20,918	54,403	20,836	54,191
Depreciation on property, plant and equipment (note 6)	4,009	10,427	4,003	10,410
Operation and maintenance ("O&M") fees (note 14)	3,650	9,493	3,543	9,215
Insurance	332	864	317	824
Depreciation on right of use assets (note 7)	73	189	73	189
Fuel oil	40	104	94	243
Grid connection fee	8	21	8	20
Custom duties (note 14)	3	7	12	32
Other O&M expenses	69	180	179	465
	<b>29,102</b>	<b>75,688</b>	<b>29,065</b>	<b>75,589</b>
<b>4. General and administrative expenses</b>				
Secondment fees (note 14)	132	343	130	337
Employment costs	88	230	91	237
Public company related costs	75	194	78	204
Agency fees	29	75	27	70
Office rent	10	25	9	23
Directors' sitting fees (note 14)	9	24	11	28
Corporate social responsibility	9	23	-	-
Depreciation on property, plant and equipment (note 6)	3	9	3	7
Other general and administrative expenses	68	176	60	156
	<b>423</b>	<b>1,099</b>	<b>409</b>	<b>1,062</b>
<b>5 (a) Finance costs</b>				
Interest on term loans and swap interests	2,709	7,045	3,045	7,919
Amortisation of deferred finance costs	323	840	385	1,002
Debt Service Reserve Account ("DSRA") LC cost (note 14)	73	189	76	198
Interest on short term borrowings	42	110	47	121
Interest on lease liabilities	26	69	31	80
Exchange (gain) loss	22	58	(9)	(23)
Asset retirement obligation - unwinding of discount	10	26	11	29
	<b>3,205</b>	<b>8,337</b>	<b>3,586</b>	<b>9,326</b>
<b>5 (b) Finance income</b>				
Interest income	10	25	1	1
	<b>10</b>	<b>25</b>	<b>1</b>	<b>1</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 2023	318,320	1,724	111	153	320,308
Addition during the period	54	-	1	-	55
Disposal during the period	-	-	(7)	-	(7)
Transfer	152	-	-	(153)	(1)
30 June 2023	<b>318,526</b>	<b>1,724</b>	<b>105</b>	<b>-</b>	<b>320,355</b>
<b>Depreciation</b>					
1 January 2023	78,028	621	100	-	78,749
Charge during the period	3,975	34	3	-	4,012
Disposal during the period	-	-	(7)	-	(7)
30 June 2023	<b>82,003</b>	<b>655</b>	<b>96</b>	<b>-</b>	<b>82,754</b>
<b>Carrying amount</b>					
30 June 2023	<b>236,523</b>	<b>1,069</b>	<b>9</b>	<b>-</b>	<b>237,601</b>
31 December 2022	240,292	1,103	11	153	241,559
	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 2023	827,880	4,485	286	398	833,049
Addition during the period	140	-	2	-	142
Disposal during the period	-	-	(17)	-	(17)
Transfer	395	-	-	(398)	(3)
30 June 2023	<b>828,415</b>	<b>4,485</b>	<b>271</b>	<b>-</b>	<b>833,171</b>
<b>Depreciation</b>					
1 January 2023	202,932	1,613	263	-	204,808
Charge during the period	10,337	90	9	-	10,436
Disposal during the period	-	-	(17)	-	(17)
30 June 2023	<b>213,269</b>	<b>1,703</b>	<b>255</b>	<b>-</b>	<b>215,227</b>
<b>Carrying amount</b>					
30 June 2023	<b>615,146</b>	<b>2,782</b>	<b>16</b>	<b>-</b>	<b>617,944</b>
31 December 2022	624,948	2,872	23	398	628,241

The term loan facilities are secured by comprehensive legal and commercial mortgages on all the assets of the Company (note 12).

The Company's plant is constructed on land leased from the Ministry of Housing (note 7). The Company has leased out the entire property, plant and equipment under operating lease.

# 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 2023	1,100	274	1,374
Addition during the period	-	-	-
30 June 2023	<u>1,100</u>	<u>274</u>	<u>1,374</u>
<b>Depreciation</b>			
1 January 2023	549	32	581
Charge during the period	69	4	73
30 June 2023	<u>618</u>	<u>36</u>	<u>654</u>
<b>Carrying amount</b>			
30 June 2023	<u>482</u>	<u>238</u>	<u>720</u>
31 December 2022	<u>551</u>	<u>242</u>	<u>793</u>
<b>Cost</b>			
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
1 January 2023	2,861	713	3,574
Addition during the period	-	-	-
30 June 2023	<u>2,861</u>	<u>713</u>	<u>3,574</u>
<b>Depreciation</b>			
1 January 2023	1,431	83	1,514
Charge during the period	179	10	189
30 June 2023	<u>1,610</u>	<u>93</u>	<u>1,703</u>
<b>Carrying amount</b>			
30 June 2023	<u>1,251</u>	<u>620</u>	<u>1,871</u>
31 December 2022	<u>1,430</u>	<u>630</u>	<u>2,060</u>

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

	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	10,334	26,877	5,586	14,527
Other receivables	419	1,090	286	745
Prepayments	35	91	360	936
Accrued income	-	-	17	43
	<b>10,788</b>	<b>28,058</b>	<b>6,249</b>	<b>16,251</b>

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>9. Cash and cash equivalents</b>				
Cash in hand	1	3	1	3
Cash at bank	5,436	14,138	1,864	4,849
Short term deposit (less than 3 months)	3,845	10,000	-	-
	<b>9,282</b>	<b>24,141</b>	<b>1,865</b>	<b>4,852</b>

### 10. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	149	386	144	374
Non-current lease liabilities	748	1,947	817	2,124
	<b>897</b>	<b>2,333</b>	<b>961</b>	<b>2,498</b>

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
<b>30 June 2023</b>				
Within one year	197	149	511	386
In 2 to 5 years	607	511	1,579	1,329
More than 5 years	435	237	1,130	618
<b>Lease liabilities</b>	<b>1,239</b>	<b>897</b>	<b>3,220</b>	<b>2,333</b>

The Company has leased land for plant premises and lease term includes the renewal terms. The Company is restricted from assigning and subleasing the leased assets.

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 11. 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	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	43,618,671	6.11%	4,362
Shareholders with less than 5% shareholding		129,550,812	18.13%	12,955
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
				<u>185,801</u>
<b>Nominal value in USD '000</b>				
<b>31 December 2022</b>				
Kahrabel FZE		213,607,492	29.90%	21,361
Middle East Investment LLC		102,160,110	14.30%	10,216
Civil Service Employees Pension Fund		76,750,331	10.74%	7,675
Sojitz Global Investment B.V.		51,080,055	7.15%	5,108
SEP International Netherlands B.V.		51,080,055	7.15%	5,108
Public Authority for Social Insurance		46,558,814	6.52%	4,656
Ministry of Defence Pension Fund		43,618,671	6.11%	4,362
Shareholders with less than 5% shareholding		129,550,812	18.13%	12,955
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
				<u>185,801</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 2022: 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

	30 June 2023 RO'000s	30 June 2023 USD'000s	Audited 31 December 2022 RO'000s	Audited 31 December 2022 USD'000s
<b>12. Term loans</b>				
Term loans	98,265	255,567	99,773	259,488
Less: current portion	(19,411)	(50,485)	(18,971)	(49,340)
Non-current portion	78,854	205,082	80,802	210,148
Less: unamortised transaction cost	(1,168)	(3,039)	(1,491)	(3,879)
	<b>77,686</b>	<b>202,043</b>	<b>79,311</b>	<b>206,269</b>

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

Commercial Facility	40,094	104,276	40,427	105,141
Hermes Covered Variable Facility	21,534	56,004	21,968	57,135
KEXIM Direct Facility	15,346	39,913	15,656	40,719
Hermes Covered Fixed Facility	13,251	34,464	13,519	35,160
KEXIM Covered Facility	8,040	20,910	8,203	21,333
	<b>98,265</b>	<b>255,567</b>	<b>99,773</b>	<b>259,488</b>

### 13. Trade and other payables

Fuel gas payable and accrual	8,647	22,490	7,512	19,536
Due to related parties (note 14)	1,230	3,197	836	2,174
Accrued finance cost	970	2,522	927	2,411
Other payables and accruals	1,221	3,173	1,108	2,883
	<b>12,068</b>	<b>31,382</b>	<b>10,383</b>	<b>27,004</b>

### 14. 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 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	132	343	130	337

# AL SUWADI POWER COMPANY SAOG

## Notes to the unaudited condensed interim financial statements

### 14. Related party transactions (continued)

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	3,906	10,158	4,111	10,691
Al Batinah Power Company SAOG	202	525	150	390
Middle East Investment LLC	76	197	76	196
Kahrabel Operations & Maintenance (Oman) LLC	76	196	76	196
ENGIE SA	34	87	35	91
International Power SA Dubai Branch	31	81	44	115
Directors'	9	24	11	28
Sojitz Corporation	8	21	8	22
Shikoku Electric Power Co., Inc.	8	21	8	22
Public Authority for Social Insurance	7	20	9	23
	<b>4,357</b>	<b>11,330</b>	<b>4,528</b>	<b>11,774</b>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,650	9,493	3,543	9,215
Sharing of costs	192	500	145	376
Value added tax (VAT)	182	475	179	466
Secondment fees (note 4)	132	343	130	337
DSRA LC cost (note 5)	73	189	76	198
Plant, capital spares and technical spares	54	140	164	427
Professional fees	31	81	44	115
Other O&M expenses	17	43	137	356
Backcharge and other expenses	14	35	98	252
Directors' sitting fees (note 4)	9	24	11	28
Custom duties (note 3)	3	7	1	4
	<b>4,357</b>	<b>11,330</b>	<b>4,528</b>	<b>11,774</b>



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## Notes to the unaudited condensed interim financial statements

### 14. 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
Balances due to related parties comprised:				
<b>Entities exercising significant influence over the Company:</b>				
Suez-Tractebel Operation & Maintenance Oman LLC	1,019	2,651	700	1,820
Al Batinah Power Company SAOG	76	197	16	40
Kahrabel Operations & Maintenance (Oman) LLC	60	155	47	121
ENGIE SA	24	61	5	13
Middle East Investment LLC	22	58	12	32
Directors'	10	27	23	61
Shikoku Electric Power Co., Inc.	6	15	1	3
Sojitz Corporation	6	15	1	3
Public Authority for Social Insurance	5	13	1	3
International Power SA Dubai Branch	2	5	30	78
	<b>1,230</b>	<b>3,197</b>	<b>836</b>	<b>2,174</b>

### 15. 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.

### 16. 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 100,757 (USD 262,048) which are outstanding as at 30 June 2023 [RO 106,134 (USD 276,031) as at 31 December 2022].

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### Notes to the unaudited condensed interim financial statements

#### 17. 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>122,700</b>	<b>319,114</b>	115,736	301,001
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>171.75</b>	<b>446.68</b>	162.00	421.33

The management believes that the hedging surplus of RO 0.91 million (USD 2.37 million) as at 30 June 2023 [RO 0.44 million (USD 1.16 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.

#### 18. 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>6,964</b>	<b>18,113</b>	6,377	16,585
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>9.75</b>	<b>25.35</b>	8.93	23.21