

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Al Batinah Power Company SAOG (the "Company"), I have the pleasure to present the Directors' Report of the Company for the 3-months period ended 31 March 2021.

Operational Highlights

The global COVID-19 pandemic continues to upset the scale of balances and poses different restrictions on normal routine life and businesses continuity. However, the Company continued to streamline its operations and achieved a major milestone of 1 million manhours (1,011,706-man hours - 3,556 days) without lost time accidents, which is reflective of our continued focus on health, safety, security and environment ("HSSE").

The plant operated with a reliability of 99.73% and delivered 102 GWh to the grid. The plant load for the period was 6.43% compared to 14.12% in the corresponding period of the previous year.

Also, the plant successfully passed the annual performance test for the 9th Contract Year under the Power Purchase Agreement (the "PPA") with Oman Power & Water Procurement Company SAOC ("OPWP") by demonstrating the Guaranteed Contracted Power Capacity on both fuel gas and fuel oil.

Financial Results

| | 3-month-2021 RO'000s Unaudited | 3-month-2020 RO'000s Unaudited | Percentage change |
|--|--------------------------------------|--------------------------------------|----------------------|
| Revenues | 5,207 | 6,272 | -17.0% |
| Direct costs | (4,826) | (5,817) | |
| Gross profit | 381 | 455 | -16.2% |
| General and administrative expenses | (170) | (184) | |
| Profit before interest and tax | 211 | 271 | -22.0% |
| Finance costs (net) | (1,866) | (2,123) | |
| (Loss) before tax | (1,655) | (1,852) | 10.7% |
| Tax expense | (470) | (446) | |
| Net (loss) for the period | (2,125) | (2,298) | 7.5% |

Lower revenues and direct costs as compared to the previous year were attributed mainly to lower plant load factor. The variability of the plant load influences the fuel and energy charges received from OPWP. However, these charges are passed through to the gas supplier and the O&M service provider and hence have no material impact on the Company's profitability. Lower gross profit was attributed mainly to the fewer operating days due to the leap year 2020 and higher insurance premium. Furthermore, the steady reduction in the finance costs positively contributed to the better

profit before tax. As a result, the net loss was 7.5% better than the corresponding period of the previous year.

The share price was 52 Baizas at the end of March 2021.

Corporate Social Responsibility

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

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

Medium term Outlook

All reasonable measures were taken by the management to maintain high availability levels in 2021. Any change in the power supply and demand landscape in the Sultanate has substantially no impact on the financial performance of the Company since its net profit is mainly derived from its plant availability.

The unprecedented COVID-19 pandemic situation had no material impact on the Company's business and the plant continues to enforce its business continuity plan to cope up with the crisis.

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

The spot market implementation plan is going on with Q2 2021 and Q4 2021 are planned for the trial period and go live respectively. The Company's PPA with OPWP expires in 2028 and accordingly the spot market will have no impact on the revenue streams of our Company until the expiry of the PPA.

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

Acknowledgement

I would like to extend my personal thanks to all personnel associated with the operation of the power plant and the staff of the Company for their hard work and dedication, as well as to those others such as our contractors, whose expertise has assisted us in achieving these excellent results.

Finally, on behalf of the Board of Directors, I would like to extend our deep appreciation and gratitude to His Majesty Sultan Haitham Bin Tariq and His Government for their continued support and encouragement to the private sector by creating an environment that allows us to participate effectively in the growth of the Sultanate's economy and to dedicate our achievements to the building of a strong nation.



Saif Al Harthy
Chairperson of the Board



AL BATINAH POWER COMPANY SAOG

Unaudited condensed income statement

for the three month period ended 31 March

| | Notes | 2021 RO'000s | 2021 USD'000s | 2020 RO'000s | 2020 USD'000s |
|---|-------|-----------------|------------------|-----------------|------------------|
| Revenues | | 5,207 | 13,541 | 6,272 | 16,311 |
| Direct costs | 3 | (4,826) | (12,550) | (5,817) | (15,127) |
| Gross profit | | 381 | 991 | 455 | 1,184 |
| General and administrative expenses | 4 | (170) | (442) | (184) | (479) |
| Profit before interest and tax | | 211 | 549 | 271 | 705 |
| Finance costs (net) | 5 | (1,866) | (4,853) | (2,123) | (5,522) |
| (Loss) before tax | | (1,655) | (4,304) | (1,852) | (4,817) |
| Tax expense | | (470) | (1,223) | (446) | (1,158) |
| Net (loss) for the period | | (2,125) | (5,527) | (2,298) | (5,975) |
| Earnings per share | | | | | |
| Basic earnings per share (Baizas / cents) | 19 | (3.15) | (8.19) | (3.40) | (8.85) |

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 three month period ended 31 March*

| | 2021 RO'000s | 2021 USD'000s | 2020 RO'000s | 2020 USD'000s |
|--|-----------------|------------------|-----------------|------------------|
| Net (loss) for the period | (2,125) | (5,527) | (2,298) | (5,975) |
| Other comprehensive (loss) that may be reclassified to profit or loss in subsequent periods (net of tax): | | | | |
| <i>Item that will be reclassified to profit or loss</i> | | | | |
| Cash flow hedges - effective portion of changes in fair value | 1,464 | 3,809 | (4,878) | (12,687) |
| Total comprehensive (loss) for the period | (661) | (1,718) | (7,176) | (18,662) |

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

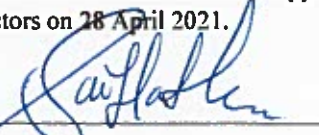
AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of financial position

as at

| | Notes | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|---|-------|-----------------------------|------------------------------|---|--|
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 237,080 | 616,592 | 238,924 | 621,392 |
| Right-of-use assets | 7 | 3,186 | 8,285 | 3,246 | 8,441 |
| Capital spares | | 587 | 1,528 | 566 | 1,472 |
| Total non-current assets | | 240,853 | 626,405 | 242,736 | 631,305 |
| Current assets | | | | | |
| Inventory | | 1,963 | 5,105 | 1,913 | 4,974 |
| Trade and other receivables | 8 | 2,786 | 7,245 | 15,249 | 39,660 |
| Short term deposit | 9 | 1,153 | 3,000 | 1,154 | 3,000 |
| Cash and cash equivalents | 10 | 304 | 790 | 1,543 | 4,014 |
| Total current assets | | 6,206 | 16,140 | 19,859 | 51,648 |
| Total assets | | 247,059 | 642,545 | 262,595 | 682,953 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Share capital | 12(a) | 67,489 | 175,523 | 67,489 | 175,523 |
| Legal reserve | 12(b) | 6,530 | 16,983 | 6,530 | 16,983 |
| Retained earnings | | 19,428 | 50,529 | 21,553 | 56,056 |
| Equity before hedging reserve | | 93,447 | 243,035 | 95,572 | 248,562 |
| Hedging reserve | 12(c) | (7,617) | (19,807) | (9,081) | (23,616) |
| Equity | | 85,830 | 223,228 | 86,491 | 224,946 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Term loans | 13 | 107,780 | 280,310 | 107,575 | 279,777 |
| Lease liabilities | 11 | 3,339 | 8,684 | 3,416 | 8,883 |
| Derivative instruments | | 8,960 | 23,302 | 10,683 | 27,784 |
| Deferred tax liability | | 19,946 | 51,876 | 19,218 | 49,981 |
| Asset retirement obligation | | 302 | 786 | 297 | 771 |
| End of service benefits | | 28 | 74 | 27 | 70 |
| Total non-current liabilities | | 140,355 | 365,032 | 141,216 | 367,266 |
| Current liabilities | | | | | |
| Term loans | 13 | 16,002 | 41,618 | 16,002 | 41,618 |
| Lease liabilities | 11 | 99 | 257 | 140 | 364 |
| Trade and other payables | 14 | 3,263 | 8,483 | 15,336 | 39,890 |
| Short term borrowing | | 1,510 | 3,927 | 3,410 | 8,869 |
| Total current liabilities | | 20,874 | 54,285 | 34,888 | 90,741 |
| Total liabilities | | 161,229 | 419,317 | 176,104 | 458,007 |
| Total equity and liabilities | | 247,059 | 642,545 | 262,595 | 682,953 |
| Net assets per share (Baizas / cents) - adjusted | 18 | 138.46 | 360.11 | 141.61 | 368.30 |

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


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 three month period ended 31 March

| | <i>Notes</i> | 2021 | 2021 | 2020 | 2020 |
|---|--------------|----------------|-----------------|---------|----------|
| | | RO'000s | USD'000s | RO'000s | USD'000s |
| Cash flows from operating activities: | | | | | |
| (Loss) before tax | | (1,655) | (4,304) | (1,852) | (4,817) |
| <i>Adjustments for:</i> | | | | | |
| Depreciation | | 1,923 | 5,002 | 1,922 | 4,998 |
| Finance costs (net) | | 1,866 | 4,853 | 2,123 | 5,522 |
| Loss on disposals | | (7) | (18) | - | - |
| End of service benefits | | 1 | 3 | 1 | 3 |
| Cash from operations before working capital changes | | 2,128 | 5,536 | 2,194 | 5,706 |
| Changes in : | | | | | |
| Trade and other receivables | | 12,464 | 32,416 | (1,684) | (4,380) |
| Inventory | | (50) | (131) | 13 | 34 |
| Trade and other payables | | (12,242) | (31,844) | 2,028 | 5,274 |
| Net cash flows generated from operating activities | | 2,300 | 5,977 | 2,551 | 6,634 |
| Cash flows from investing activities: | | | | | |
| Acquisition of property, plant and equipment | | (37) | (94) | (30) | (78) |
| Sale proceeds from property, plant and equipment | | 25 | 66 | - | - |
| Net cash flows (used in) investing activities | | (12) | (28) | (30) | (78) |
| Cash flows from financing activities: | | | | | |
| Finance costs paid | | (1,459) | (3,795) | (1,643) | (4,273) |
| Repayment to short term borrowing - net | | (1,900) | (4,941) | (1,988) | (5,170) |
| Lease payments | | (168) | (437) | (124) | (322) |
| Interest received | | - | 0 | 15 | 39 |
| Net cash flows (used in) financing activities | | (3,527) | (9,173) | (3,740) | (9,726) |
| Net change in cash and cash equivalents | | (1,239) | (3,224) | (1,219) | (3,170) |
| Cash and cash equivalents at beginning of the period | <i>10</i> | 1,543 | 4,014 | 1,883 | 4,897 |
| Cash and cash equivalents at end of the period | <i>10</i> | 304 | 790 | 664 | 1,727 |

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

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

Al Batinah Power Company (the "Company") was registered as a closed Omani Joint Stock company ("SAOC") on 2 August 2010 under the Commercial Companies Law of Oman. Subsequently, the Company was converted to a Public Joint Stock Company ("SAOG") and was listed on the Muscat Securities Market on 23 June 2014.

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Sohar 2 Power Plant with a capacity of about 750MW), and associated gas interconnection facilities and other relevant infrastructure; to make available the demonstrated power capacity; and to sell the electrical energy generated to Oman Power and Water Procurement Company SAOC ("OPWP"). Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 3 April 2013.

2 Basis of preparation and significant accounting policies

Basis of preparation

(a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Commercial Companies Law of Sultanate of Oman (as amended) ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2020. The condensed interim financial statements do not include all information required for full annual financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) *Basis of measurement*

These condensed interim financial statements are prepared on historical cost basis except for provision for asset retirement obligation and deferred finance costs which are measured at amortised cost and certain financial instruments which are measured at fair value.

(c) *Use of estimates and judgements*

The preparation of the financial statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these condensed interim financial statements are same as those that were applied to the financial statements as at and for the year ended 31 December 2020.

(d) *Presentation 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.

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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 |
|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 3. Direct costs | | | | |
| Depreciation (note 6 & 7) | 1,919 | 4,991 | 1,918 | 4,988 |
| Operation and maintenance ("O&M") fees (note 15) | 1,389 | 3,611 | 1,432 | 3,724 |
| Fuel gas | 991 | 2,577 | 1,977 | 5,142 |
| Seawater extraction | 265 | 688 | 260 | 676 |
| Insurance | 148 | 385 | 118 | 308 |
| Fuel oil | 28 | 73 | 13 | 33 |
| Grid connection fee | 4 | 11 | 4 | 9 |
| Custom duty (note 15) | 2 | 5 | 9 | 24 |
| Other direct costs | 80 | 209 | 86 | 223 |
| | 4,826 | 12,550 | 5,817 | 15,127 |
| 4. General and administrative expenses | | | | |
| Secondment fees (note 15) | 62 | 161 | 59 | 154 |
| Employment costs | 42 | 109 | 44 | 114 |
| Public company related costs | 22 | 57 | 21 | 55 |
| Agency fees | 13 | 34 | 13 | 34 |
| Directors' sitting fees (note 15) | 6 | 15 | 5 | 12 |
| Office rent | 4 | 11 | 5 | 13 |
| Depreciation (note 6) | 4 | 11 | 4 | 10 |
| Other general and administrative expenses | 17 | 44 | 33 | 87 |
| | 170 | 442 | 184 | 479 |
| 5. Finance costs (net) | | | | |
| Interest on term loans | 882 | 2,292 | 1,476 | 3,839 |
| Swap interest | 686 | 1,785 | 323 | 841 |
| Amortisation of deferred finance costs | 205 | 533 | 231 | 599 |
| Interest on lease liabilities | 50 | 131 | 52 | 136 |
| Interest on short term borrowing | 21 | 55 | 36 | 93 |
| Debt Service Reserve Account ("DSRA") LC cost (note 15) | 17 | 44 | 19 | 50 |
| Asset retirement obligation - unwinding of discount | 5 | 14 | 5 | 13 |
| Exchange loss | 0 | 0 | 3 | 8 |
| Interest income | (0) | (1) | (22) | (57) |
| | 1,866 | 4,853 | 2,123 | 5,522 |

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Notes to the unaudited condensed interim financial statements

6. Property, plant and equipment

| | Property, plant and equipment RO'000s | Technical Spares RO'000s | Other assets RO'000s | Capital Work-in- progress RO'000s | Total RO'000s |
|--------------------------------------|---|---------------------------------|-----------------------------|---|-------------------|
| Cost | | | | | |
| 1 January 2021 | 296,408 | 1,724 | 156 | 104 | 298,392 |
| Addition during the period | 25 | 0 | 0 | 12 | 37 |
| Disposal during the period | - | (25) | (17) | - | (42) |
| Transfer during the period | 104 | - | - | (104) | - |
| 31 March 2021 | 296,537 | 1,699 | 139 | 12 | 298,387 |
| Depreciation | | | | | |
| 1 January 2021 | 58,854 | 483 | 131 | - | 59,468 |
| Charge during the period | 1,842 | 17 | 4 | - | 1,863 |
| Disposal during the period | - | (7) | (17) | - | (24) |
| 31 March 2021 | 60,696 | 493 | 118 | - | 61,307 |
| Carrying amount | | | | | |
| 31 March 2021 | 235,841 | 1,206 | 21 | 12 | 237,080 |
| 31 December 2020 | 237,554 | 1,241 | 25 | 104 | 238,924 |
| Property, plant and equipment | | | | | |
| | Property, plant and equipment USD'000s | Technical Spares USD'000s | Other assets USD'000s | Capital Work-in- progress USD'000s | Total USD'000s |
| Cost | | | | | |
| 1 January 2021 | 770,893 | 4,484 | 406 | 272 | 776,055 |
| Addition during the period | 62 | 0 | 1 | 31 | 94 |
| Disposal during the period | - | (66) | (45) | - | (111) |
| Transfer during the period | 272 | - | - | (272) | - |
| 31 March 2021 | 771,227 | 4,418 | 362 | 31 | 776,038 |
| Depreciation | | | | | |
| 1 January 2021 | 153,066 | 1,255 | 342 | - | 154,663 |
| Charge during the period | 4,791 | 44 | 11 | - | 4,846 |
| Disposal during the period | - | (18) | (45) | - | (63) |
| 31 March 2021 | 157,857 | 1,281 | 308 | - | 159,446 |
| Carrying amount | | | | | |
| 31 March 2021 | 613,370 | 3,137 | 54 | 31 | 616,592 |
| 31 December 2020 | 617,827 | 3,229 | 64 | 272 | 621,392 |

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Notes to the unaudited condensed interim financial statements

7. Right-of-use assets

| | Connection Equipment RO'000s | Site Rent RO'000s | Total RO'000s |
|----------------------------|-------------------------------------|--------------------------|------------------|
| Cost | | | |
| 1 January 2021 | 999 | 2,720 | 3,719 |
| Addition during the period | - | - | - |
| 31 March 2021 | 999 | 2,720 | 3,719 |
| Depreciation | | | |
| 1 January 2021 | 250 | 223 | 473 |
| Charge during the period | 31 | 29 | 60 |
| 31 March 2021 | 281 | 252 | 533 |
| Carrying amount | | | |
| 31 March 2021 | 718 | 2,468 | 3,186 |
| 31 December 2020 | 749 | 2,497 | 3,246 |
| | Connection Equipment USD'000s | Site Rent USD'000s | Total RO'000s |
| Cost | | | |
| 1 January 2021 | 2,599 | 7,073 | 9,672 |
| Addition during the period | - | - | - |
| 31 March 2021 | 2,599 | 7,073 | 9,672 |
| Depreciation | | | |
| 1 January 2021 | 650 | 581 | 1,231 |
| Charge during the period | 81 | 75 | 156 |
| 31 March 2021 | 731 | 656 | 1,387 |
| Carrying amount | | | |
| 31 March 2021 | 1,868 | 6,417 | 8,285 |
| 31 December 2020 | 1,949 | 6,492 | 8,441 |

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

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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 |
|---------------------------------------|-----------------------------|------------------------------|---|--|
| 8. Trade and other receivables | | | | |
| Trade receivables | 2,463 | 6,405 | 14,823 | 38,551 |
| Prepayments | 194 | 506 | 290 | 754 |
| Due from a related party (note 16) | 38 | 98 | 39 | 101 |
| Accrued income | - | - | 8 | 22 |
| Other receivables | 91 | 236 | 89 | 232 |
| | 2,786 | 7,245 | 15,249 | 39,660 |

9. Short term deposit

As per the Common Terms Agreement ("CTA"), the Company is required to maintain a debt service provisioning account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October the Company is required to put the scheduled amount towards the next six monthly payments. The amount in the DSPA cannot be utilized for any purpose other than servicing the loan instalments and interest and is as such, restricted cash. The amount in the DSPA account was put into a short term deposit 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 |
|--------------------------------------|-----------------------------|------------------------------|---|--|
| 10. Cash and cash equivalents | | | | |
| Cash in hand and at bank | 304 | 790 | 1,543 | 4,014 |
| | 304 | 790 | 1,543 | 4,014 |

11. Lease liabilities

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|--|-----------------------------|------------------------------|---|--|
|--|-----------------------------|------------------------------|---|--|

Lease liabilities included in the statement of financial position as:

| | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|
| Current lease liabilities | 99 | 257 | 140 | 364 |
| Non-current lease liabilities | 3,339 | 8,684 | 3,416 | 8,883 |
| | 3,438 | 8,941 | 3,556 | 9,247 |

| | Contractual Undiscounted Cash flows RO'000s | Present value of lease payments RO'000s | Contractual Undiscounted Cash flows USD'000s | Present value of lease payments USD'000s |
|--|--|--|---|---|
| 31 March 2021 | | | | |
| Amount payable under operating leases | | | | |
| Within one year | 298 | 99 | 774 | 257 |
| In 2 to 5 years | 1,404 | 712 | 3,651 | 1,851 |
| More than 5 years | 4,118 | 2,627 | 10,710 | 6,833 |
| | 5,820 | 3,438 | 15,135 | 8,941 |
| Less: unpaid finance cost | (2,382) | - | (6,194) | - |
| Lease liabilities | 3,438 | 3,438 | 8,941 | 8,941 |

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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 |
|---|-------------|---|----------------|--|
| 31 March 2021 | | | | |
| Kahrabel FZE | UAE | 201,791,343 | 29.90% | 20,179 |
| Middle East Investment LLC | Omani | 96,508,899 | 14.30% | 9,651 |
| Civil Service Employees Pension Fund | Omani | 88,043,257 | 13.05% | 8,804 |
| SEP International Netherlands B.V. | Netherlands | 48,254,453 | 7.15% | 4,825 |
| Sojitz Global Investment B.V. | Netherlands | 48,254,453 | 7.15% | 4,825 |
| Public Authority for Social Insurance | Omani | 44,291,913 | 6.56% | 4,429 |
| Ministry of Defence Pension Fund | Omani | 40,200,737 | 5.96% | 4,020 |
| Shareholders with less than 5% shareholding | | 107,542,375 | 15.93% | 10,756 |
| | | 674,887,430 | 100.00% | 67,489 |
| Nominal value in USD | | | | 175,523 |

31 December 2020

| | | | | |
|---|-------------|--------------------|----------------|----------------|
| Kahrabel FZE | UAE | 201,791,343 | 29.90% | 20,179 |
| Middle East Investment LLC | Omani | 96,508,899 | 14.30% | 9,651 |
| Civil Service Employees Pension Fund | Omani | 88,043,257 | 13.05% | 8,804 |
| SEP International Netherlands B.V. | Netherlands | 48,254,453 | 7.15% | 4,825 |
| Sojitz Global Investment B.V. | Netherlands | 48,254,453 | 7.15% | 4,825 |
| Public Authority for Social Insurance | Omani | 44,380,613 | 6.58% | 4,438 |
| Ministry of Defence Pension Fund | Omani | 40,200,737 | 5.96% | 4,020 |
| Shareholders with less than 5% shareholding | | 107,453,675 | 15.92% | 10,747 |
| | | 674,887,430 | 100.00% | 67,489 |
| Nominal value in USD | | | | 175,523 |

The Company has authorized, issued and paid-up share capital of RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each (31 December 2020: RO 67,488,743 consisting of 674,887,430 shares of RO 0.1 each).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(b) Legal reserve

Article 132 of the Commercial Companies Law requires that 10% of Company's net profits, after deduction of taxes for establishing a legal reserve until such legal reserve amounts to at one-third of the Company's share capital.

(c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

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Notes to the unaudited condensed interim financial statements

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|------------------------------------|-----------------------------|------------------------------|---|--|
| 13. Term loans | | | | |
| Term loans | 126,727 | 329,586 | 126,727 | 329,586 |
| Less: current portion | (16,002) | (41,618) | (16,002) | (41,618) |
| Non-current portion | 110,725 | 287,968 | 110,725 | 287,968 |
| Less: unamortised transaction cost | (2,945) | (7,658) | (3,150) | (8,191) |
| | 107,780 | 280,310 | 107,575 | 279,777 |

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

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

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|---------------------------------------|-----------------------------|------------------------------|---|--|
| Commercial Facility | 43,977 | 114,374 | 43,977 | 114,374 |
| Hermes Covered Variable Facility | 32,442 | 84,374 | 32,442 | 84,374 |
| Hermes Covered Fixed Facility | 20,708 | 53,856 | 20,708 | 53,856 |
| KEXIM Direct Facility | 20,162 | 52,436 | 20,162 | 52,436 |
| KEXIM Covered Facility | 9,438 | 24,546 | 9,438 | 24,546 |
| | 126,727 | 329,586 | 126,727 | 329,586 |
| 14. Trade and other payables | | | | |
| Accrued interest cost | 1,297 | 3,372 | 1,150 | 2,991 |
| Fuel gas payable and accrual | 990 | 2,576 | 13,434 | 34,940 |
| Due to related parties (note 15) | 546 | 1,419 | 485 | 1,263 |
| Other payable and accruals | 430 | 1,116 | 267 | 696 |
| | 3,263 | 8,483 | 15,336 | 39,890 |
| 15. Related party transactions | | | | |

Related parties comprise the shareholders, directors, key management personnel, business entities that have the ability to control or exercise significant influence over financial and operating decisions of the Company and entities over which certain shareholders are able to exercise significant influence. Prices and terms of these transactions, which are entered into in the normal course of business, are on mutually agreed terms and conditions.

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Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

Key management benefits

Key management personnel are those having authority for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation paid to the top five employees, including key management personnel for the 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 | 117 | 304 | 119 | 309 |

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

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | 31 March 2020 RO'000s | 31 March 2020 USD'000s |
|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Shareholders: | | | | |
| Middle East Investment LLC | 3 | 10 | 4 | 11 |
| Public Authority for Social Insurance | 2 | 4 | 2 | 5 |
| Group companies and other related parties: | | | | |
| Suez-Tractebel Operation & Maintenance Oman LLC | 1,452 | 3,774 | 1,446 | 3,761 |
| Al Suwadi Power Company SAOG | 143 | 372 | 66 | 172 |
| Kahrabel Operations & Maintenance (Oman) LLC | 34 | 88 | 32 | 83 |
| Sojitz Corporation | 30 | 79 | 29 | 76 |
| International Power SA Dubai Branch | 10 | 25 | 34 | 88 |
| ENGIE SA | 8 | 20 | 9 | 24 |
| Directors' | 6 | 15 | 5 | 12 |
| Shikoku Electric Power Co., Inc. | 2 | 5 | 2 | 5 |
| | 1,690 | 4,392 | 1,629 | 4,237 |

The nature of the above transactions is as follows:

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Operation and maintenance ("O&M") fees (note 3) | 1,389 | 3,611 | 1,432 | 3,724 |
| Sharing of costs | 143 | 372 | 66 | 172 |
| Secondment fees (note 4) | 62 | 161 | 59 | 154 |
| Capital & Initial spares | 59 | 153 | - | - |
| DSRA LC cost (note 5) | 17 | 44 | 19 | 50 |
| Professional fees | 10 | 25 | 34 | 88 |
| Directors' sitting fees (note 4) | 6 | 15 | 5 | 12 |
| Others | 2 | 6 | 2 | 5 |
| Custom duty (note 3) | 2 | 5 | 9 | 24 |
| Other O&M expenses | - | - | 3 | 8 |
| | 1,690 | 4,392 | 1,629 | 4,237 |

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Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|--|-----------------------------|------------------------------|---|--|
| <i>Balance due from a related party:</i> | | | | |
| Al Suwadi Power Company SAOG | 38 | 98 | 39 | 101 |
| <i>Balances due to related parties comprised:</i> | | | | |
| Shareholders: | | | | |
| Middle East Investment LLC | 6 | 16 | 3 | 7 |
| Public Authority for Social Insurance | 3 | 7 | 1 | 3 |
| Group companies and other related parties: | | | | |
| Suez-Tractebel Operation & Maintenance Oman LLC | 481 | 1,250 | 398 | 1,036 |
| ENGIE SA | 13 | 34 | 5 | 14 |
| Sojitz Corporation | 13 | 33 | 11 | 28 |
| Kahrabel Operations & Maintenance (Oman) LLC | 11 | 28 | 38 | 100 |
| International Power SA Dubai Branch | 16 | 42 | 7 | 17 |
| Shikoku Electric Power Co., Inc. | 3 | 8 | 1 | 3 |
| Directors' | - | - | 21 | 55 |
| | 546 | 1,419 | 485 | 1,263 |

16. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020.

17. Commitments

a) Operation and maintenance commitments and land lease commitments are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020 as reduced by amounts accounted for during the three month period ended 31 March 2021.

b) The Company has placed purchase orders for RO 47,125 (USD 122,563) which are outstanding as at 31 March 2021 [RO 100,363 (USD 261,022) as at 31 December 2020].

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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.

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | Audited 31 December 2020 RO'000s | Audited 31 December 2020 USD'000s |
|--|--------------------------------------|---------------------------------------|---|--|
| Net assets - shareholder funds | 93,447 | 243,035 | 95,572 | 248,562 |
| Weighted average number of shares outstanding during the period/year ('000s) | 674,887 | 674,887 | 674,887 | 674,887 |
| Net asset per share (Baizas / cents) - adjusted | 138.46 | 360.11 | 141.61 | 368.30 |

The management believes that the hedging deficit of RO 7.62 million [USD 19.81 million] as at 31 March 2021 (RO 9.08 million [USD 23.62 million] as at 31 December 2020) represents the loss which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its financing agreements, the Company is not permitted to terminate the swap agreements. Accordingly the hedging deficit has been excluded from the 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.

| | 31 March 2021 RO'000s | 31 March 2021 USD'000s | 31 March 2020 RO'000s | 31 March 2020 USD'000s |
|---|--------------------------------------|---------------------------------------|-----------------------------|------------------------------|
| Net profit for the period | (2,125) | (5,527) | (2,298) | (5,975) |
| Weighted average number of shares outstanding during the period ('000s) | 674,887 | 674,887 | 674,887 | 674,887 |
| Basic earnings per share (Baizas / cents) | (3.15) | (8.19) | (3.40) | (8.85) |