

AL BATINAH POWER COMPANY SAOG

Unaudited condensed interim financial statements

31 March 2022

Registered address:

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

Principal place of business:

Sohar Industrial Port
Sohar
Sultanate of Oman

AL BATINAH POWER COMPANY SAOG

Unaudited condensed interim financial statements

31 March 2022

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AL BATINAH POWER COMPANY SAOG

Unaudited condensed income statement

for the three month period ended 31 March

| | Notes | 2022 RO'000s | 2022 USD'000s | 2021 RO'000s | 2021 USD'000s |
|---|-------|-----------------|------------------|-----------------|------------------|
| Revenues | | 6,084 | 15,822 | 5,207 | 13,541 |
| Direct costs | 3 | (5,734) | (14,912) | (4,826) | (12,550) |
| Gross profit | | 350 | 910 | 381 | 991 |
| General and administrative expenses | 4 | (179) | (466) | (170) | (442) |
| Profit before interest and tax | | 171 | 444 | 211 | 549 |
| Finance costs (net) | 5 | (1,678) | (4,364) | (1,866) | (4,853) |
| (Loss) before tax | | (1,507) | (3,920) | (1,655) | (4,304) |
| Tax expense | | (381) | (990) | (470) | (1,223) |
| Net (loss) for the period | | (1,888) | (4,910) | (2,125) | (5,527) |
| Earnings per share | | | | | |
| Basic earnings per share (Baizas / cents) | 19 | (2.80) | (7.28) | (3.15) | (8.19) |

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*

| | 2022 RO'000s | 2022 USD'000s | 2021 RO'000s | 2021 USD'000s |
|---|-----------------|------------------|-----------------|------------------|
| Net (loss) for the period | (1,888) | (4,910) | (2,125) | (5,527) |
| Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods (net of tax): | | | | |
| Cash flow hedges - effective portion of changes in fair value | 2,960 | 7,699 | 1,464 | 3,809 |
| Total comprehensive income (loss) for the period | 1,072 | 2,789 | (661) | (1,718) |

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 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|---|-------|-----------------------------|------------------------------|---|--|
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 229,647 | 597,265 | 231,494 | 602,067 |
| Right-of-use assets | 7 | 2,949 | 7,669 | 3,008 | 7,823 |
| Capital spares | | 541 | 1,407 | 541 | 1,407 |
| Total non-current assets | | 233,137 | 606,341 | 235,043 | 611,297 |
| Current assets | | | | | |
| Inventory | | 1,913 | 4,976 | 1,948 | 5,067 |
| Trade and other receivables | 8 | 2,289 | 5,952 | 14,142 | 36,779 |
| Short term deposit | 9 | 1,192 | 3,100 | 1,192 | 3,100 |
| Cash and cash equivalents | 10 | 581 | 1,512 | 809 | 2,105 |
| Total current assets | | 5,975 | 15,540 | 18,091 | 47,051 |
| Total assets | | 239,112 | 621,881 | 253,134 | 658,348 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Share capital | 12(a) | 67,489 | 175,523 | 67,489 | 175,523 |
| Legal reserve | 12(b) | 7,642 | 19,876 | 7,642 | 19,876 |
| Retained earnings | | 25,627 | 66,651 | 27,515 | 71,561 |
| Equity before hedging reserve | | 100,758 | 262,050 | 102,646 | 266,960 |
| Hedging reserve | 12(c) | (2,718) | (7,071) | (5,678) | (14,770) |
| Equity | | 98,040 | 254,979 | 96,968 | 252,190 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Term loans | 13 | 90,929 | 236,484 | 90,750 | 236,019 |
| Lease liabilities | 11 | 3,183 | 8,279 | 3,263 | 8,487 |
| Derivative instruments | | 3,199 | 8,319 | 6,681 | 17,376 |
| Deferred tax liability | | 22,587 | 58,745 | 21,683 | 56,397 |
| Asset retirement obligation | | 411 | 1,071 | 407 | 1,057 |
| End of service benefits | | 34 | 90 | 32 | 83 |
| Total non-current liabilities | | 120,343 | 312,988 | 122,816 | 319,419 |
| Current liabilities | | | | | |
| Trade and other payables | 14 | 3,010 | 7,831 | 14,514 | 37,751 |
| Lease liabilities - current | 11 | 111 | 288 | 153 | 397 |
| Short term borrowings | | - | - | 1,075 | 2,796 |
| Term loans - current | 13 | 17,608 | 45,795 | 17,608 | 45,795 |
| Total current liabilities | | 20,729 | 53,914 | 33,350 | 86,739 |
| Total liabilities | | 141,072 | 366,902 | 156,166 | 406,158 |
| Total equity and liabilities | | 239,112 | 621,881 | 253,134 | 658,348 |
| Net assets per share (Baizas / cents) - adjusted | 18 | 149.30 | 388.29 | 152.09 | 395.56 |

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 27 April 2022.

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> | 2022 | 2022 | 2021 | 2021 |
|---|--------------|----------------|-----------------|----------|----------|
| | | RO'000s | USD'000s | RO'000s | USD'000s |
| Cash flows from operating activities: | | | | | |
| (Loss) before tax | | (1,507) | (3,920) | (1,655) | (4,304) |
| <i>Adjustments for:</i> | | | | | |
| Depreciation | | 1,921 | 4,996 | 1,923 | 5,002 |
| Finance costs (net) | | 1,678 | 4,364 | 1,866 | 4,853 |
| Gain on disposals | | (1) | (2) | (7) | (18) |
| End of service benefits | | 2 | 7 | 1 | 3 |
| Cash from operations before working capital changes | | 2,093 | 5,445 | 2,128 | 5,536 |
| Changes in : | | | | | |
| Trade and other receivables | | 11,853 | 30,829 | 12,464 | 32,416 |
| Inventory | | 35 | 91 | (50) | (131) |
| Trade and other payables | | (11,636) | (30,265) | (12,242) | (31,844) |
| Net cash flows generated from operating activities | | 2,345 | 6,100 | 2,300 | 5,977 |
| Cash flows from investing activities: | | | | | |
| Acquisition of property, plant and equipment | | (17) | (45) | (37) | (94) |
| Sale proceeds from property, plant and equipment | | 3 | 7 | 25 | 66 |
| Net cash flows (used in) investing activities | | (14) | (38) | (12) | (28) |
| Cash flows from financing activities: | | | | | |
| Finance costs paid | | (1,314) | (3,418) | (1,459) | (3,795) |
| Repayment of short term borrowings - net | | (1,075) | (2,796) | (1,900) | (4,941) |
| Lease payments | | (170) | (441) | (168) | (437) |
| Interest received | | - | - | - | 0 |
| Net cash flows (used in) financing activities | | (2,559) | (6,655) | (3,527) | (9,173) |
| Net change in cash and cash equivalents | | (228) | (593) | (1,239) | (3,224) |
| Cash and cash equivalents at beginning of the period | <i>10</i> | 809 | 2,105 | 1,543 | 4,014 |
| Cash and cash equivalents at end of the period | <i>10</i> | 581 | 1,512 | 304 | 790 |

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

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the 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 |
|--|-----------------------------|-----------------------------|---------------------------------|-------------------------------|------------------|
| Balance at 1 January 2022 | 67,489 | 7,642 | 27,515 | (5,678) | 96,968 |
| <i>Total comprehensive (loss) for the period</i> | | | | | |
| Net (loss) for the period | - | - | (1,888) | - | (1,888) |
| <i>Other comprehensive income for the period net of income tax</i> | | | | | |
| Cash flow hedges - effective portion of changes in fair value | - | - | - | 2,960 | 2,960 |
| <i>Total comprehensive income for the period</i> | - | - | (1,888) | 2,960 | 1,072 |
| Balance at 31 March 2022 | 67,489 | 7,642 | 25,627 | (2,718) | 98,040 |
| | | | | | |
| Balance at 1 January 2021 | 67,489 | 6,530 | 21,553 | (9,081) | 86,491 |
| <i>Total comprehensive (loss) for the period</i> | | | | | |
| Net (loss) for the period | - | - | (2,125) | - | (2,125) |
| <i>Other comprehensive (loss) for the period net of income tax</i> | | | | | |
| Cash flow hedges - effective portion of changes in fair value | - | - | - | 1,464 | 1,464 |
| <i>Total comprehensive (loss) for the period</i> | - | - | (2,125) | 1,464 | (661) |
| Balance at 31 March 2021 | 67,489 | 6,530 | 19,428 | (7,617) | 85,830 |

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

AL BATINAH POWER COMPANY SAOG

Unaudited condensed statement of changes in equity

for the three month period ended 31 March

| | Share capital USD'000s | Legal reserve USD'000s | Retained earnings USD'000s | Hedging reserve USD'000s | Total USD'000s |
|--|------------------------------|------------------------------|----------------------------------|--------------------------------|-------------------|
| Balance at 1 January 2022 | 175,523 | 19,876 | 71,561 | (14,770) | 252,190 |
| <i>Total comprehensive (loss) for the period</i> | | | | | |
| Net (loss) for the period | - | - | (4,910) | - | (4,910) |
| <i>Other comprehensive income for the period net of income tax</i> | | | | | |
| Cash flow hedges - effective portion of changes in fair value | - | - | - | 7,699 | 7,699 |
| <i>Total comprehensive income for the period</i> | - | - | (4,910) | 7,699 | 2,789 |
| Balance at 31 March 2022 | 175,523 | 19,876 | 66,651 | (7,071) | 254,979 |
| | | | | | |
| Balance at 1 January 2021 | 175,523 | 16,983 | 56,056 | (23,616) | 224,946 |
| <i>Total comprehensive (loss) for the period</i> | | | | | |
| Net (loss) for the period | - | - | (5,527) | - | (5,527) |
| <i>Other comprehensive (loss) for the period net of income tax</i> | | | | | |
| Cash flow hedges - effective portion of changes in fair value | - | - | - | 3,809 | 3,809 |
| <i>Total comprehensive (loss) for the period</i> | - | - | (5,527) | 3,809 | (1,718) |
| Balance at 31 March 2021 | 175,523 | 16,983 | 50,529 | (19,807) | 223,228 |

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

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

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

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

2 Basis of preparation and significant accounting policies

Basis of preparation

(a) *Statement of compliance*

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, applicable requirements of the Commercial Companies Law of Sultanate of Oman (as amended) ("CCL") and disclosure requirements of the Capital Market Authority of the Sultanate of Oman ("CMA"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2021. 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 2021.

(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 2021.

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Notes to the unaudited condensed interim financial statements

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | 31 March 2021 RO'000s | 31 March 2021 USD'000s |
|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 3. Direct costs | | | | |
| Depreciation on property plant and equipment (note 6) | 1,860 | 4,837 | 1,859 | 4,835 |
| Fuel gas | 1,817 | 4,727 | 991 | 2,577 |
| Operation and maintenance ("O&M") fees (note 15) | 1,432 | 3,724 | 1,389 | 3,611 |
| Seawater extraction | 271 | 704 | 265 | 688 |
| Insurance | 162 | 421 | 148 | 385 |
| Depreciation on right of use assets (note 7) | 59 | 154 | 60 | 156 |
| Fuel oil | 35 | 91 | 28 | 73 |
| Grid connection fee | 3 | 8 | 4 | 11 |
| Custom duty (note 15) | 1 | 2 | 2 | 5 |
| Other direct costs | 94 | 244 | 80 | 209 |
| | 5,734 | 14,912 | 4,826 | 12,550 |
| 4. General and administrative expenses | | | | |
| Secondment fees (note 15) | 64 | 165 | 62 | 161 |
| Employment costs | 41 | 105 | 42 | 109 |
| Public company related costs | 21 | 56 | 22 | 57 |
| Agency fees | 13 | 35 | 13 | 34 |
| Directors' sitting fees (note 15) | 5 | 14 | 6 | 15 |
| Office rent | 4 | 11 | 4 | 11 |
| Depreciation on property plant and equipment (note 6) | 2 | 5 | 4 | 11 |
| Other general and administrative expenses | 29 | 75 | 17 | 44 |
| | 179 | 466 | 170 | 442 |
| 5. Finance costs (net) | | | | |
| Interest on term loans | 819 | 2,129 | 882 | 2,292 |
| Swap interest | 604 | 1,572 | 686 | 1,785 |
| Amortisation of deferred finance costs | 179 | 465 | 205 | 533 |
| Interest on lease liabilities | 48 | 125 | 50 | 131 |
| Debt Service Reserve Account ("DSRA") | | | | |
| LC cost (note 15) | 17 | 44 | 17 | 44 |
| Interest on short term borrowing | 9 | 24 | 21 | 55 |
| Asset retirement obligation - unwinding of discount | 5 | 14 | 5 | 14 |
| Interest income | (0) | (1) | (0) | (1) |
| Exchange (gain)/loss | (3) | (8) | 0 | 0 |
| | 1,678 | 4,364 | 1,866 | 4,853 |

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

6. Property, plant and equipment

| | Property, plant and equipment RO'000s | Technical Spares RO'000s | Other assets RO'000s | Capital Work-in- progress RO'000s | Total RO'000s |
|---|---|---------------------------------|-----------------------------|---|-------------------|
| Cost | | | | | |
| 1 January 2022 | 296,552 | 1,699 | 141 | - | 298,392 |
| Addition during the period | - | 14 | - | 3 | 17 |
| Disposal during the period | - | (3) | (11) | - | (14) |
| 31 March 2022 | <u>296,552</u> | <u>1,710</u> | <u>130</u> | <u>3</u> | <u>298,395</u> |
| Depreciation | | | | | |
| 1 January 2022 | 66,224 | 544 | 130 | - | 66,898 |
| Charge during the period | 1,843 | 17 | 2 | - | 1,862 |
| Disposal during the period | - | (1) | (11) | - | (12) |
| 31 March 2022 | <u>68,067</u> | <u>560</u> | <u>121</u> | <u>-</u> | <u>68,748</u> |
| Carrying amount | | | | | |
| 31 March 2022 | <u>228,485</u> | <u>1,150</u> | <u>9</u> | <u>3</u> | <u>229,647</u> |
| 31 December 2021 | <u>230,328</u> | <u>1,155</u> | <u>11</u> | <u>-</u> | <u>231,494</u> |
| Property, plant and equipment - USD'000s | | | | | |
| | 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 2022 | 771,268 | 4,418 | 366 | - | 776,052 |
| Addition during the period | - | 38 | - | 7 | 45 |
| Disposal during the period | - | (7) | (30) | - | (37) |
| 31 March 2022 | <u>771,268</u> | <u>4,449</u> | <u>336</u> | <u>7</u> | <u>776,060</u> |
| Depreciation | | | | | |
| 1 January 2022 | 172,233 | 1,414 | 338 | - | 173,985 |
| Charge during the period | 4,792 | 45 | 5 | - | 4,842 |
| Disposal during the period | - | (2) | (30) | - | (32) |
| 31 March 2022 | <u>177,025</u> | <u>1,457</u> | <u>313</u> | <u>-</u> | <u>178,795</u> |
| Carrying amount | | | | | |
| 31 March 2022 | <u>594,243</u> | <u>2,992</u> | <u>23</u> | <u>7</u> | <u>597,265</u> |
| 31 December 2021 | <u>599,035</u> | <u>3,004</u> | <u>28</u> | <u>-</u> | <u>602,067</u> |

The term loan facilities are secured by a comprehensive legal and commercial mortgage on all assets of the Company (note 13).

The Company's plant is constructed on land leased from the Sohar Industrial Port Company SAOC (note 7).

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

7. Right-of-use assets

| | Connection Equipment | Site Rent | Total |
|----------------------------|-------------------------|--------------|---------|
| | RO'000s | RO'000s | RO'000s |
| Cost | | | |
| 1 January 2022 | 999 | 2,720 | 3,719 |
| Addition during the period | - | - | - |
| 31 March 2022 | 999 | 2,720 | 3,719 |
| Depreciation | | | |
| 1 January 2022 | 375 | 336 | 711 |
| Charge during the period | 31 | 28 | 59 |
| 31 March 2022 | 406 | 364 | 770 |
| Carrying amount | | | |
| 31 March 2022 | 593 | 2,356 | 2,949 |
| 31 December 2021 | 624 | 2,384 | 3,008 |
| | Connection Equipment | Site Rent | Total |
| | USD'000s | USD'000s | RO'000s |
| Cost | | | |
| 1 January 2022 | 2,599 | 7,074 | 9,673 |
| Addition during the period | - | - | - |
| 31 March 2022 | 2,599 | 7,074 | 9,673 |
| Depreciation | | | |
| 1 January 2022 | 975 | 875 | 1,850 |
| Charge during the period | 81 | 73 | 154 |
| 31 March 2022 | 1,056 | 948 | 2,004 |
| Carrying amount | | | |
| 31 March 2022 | 1,543 | 6,126 | 7,669 |
| 31 December 2021 | 1,624 | 6,199 | 7,823 |

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 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|---------------------------------------|-----------------------------|------------------------------|---|--|
| 8. Trade and other receivables | | | | |
| Trade receivables | 1,937 | 5,037 | 13,673 | 35,560 |
| Prepayments | 189 | 492 | 298 | 774 |
| Due from a related party (note 15) | 52 | 136 | 13 | 33 |
| Accrued income | - | - | 50 | 130 |
| Other receivables | 111 | 287 | 108 | 282 |
| | 2,289 | 5,952 | 14,142 | 36,779 |

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 26 April 2022.

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|--------------------------------------|-----------------------------|------------------------------|---|--|
| 10. Cash and cash equivalents | | | | |
| Cash in hand and at bank | 581 | 1,512 | 809 | 2,105 |
| | 581 | 1,512 | 809 | 2,105 |

11. Lease liabilities

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|--|-----------------------------|------------------------------|---|--|
|--|-----------------------------|------------------------------|---|--|

Lease liabilities included in the statement of financial position as:

| | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|
| Current lease liabilities | 111 | 288 | 153 | 397 |
| Non-current lease liabilities | 3,183 | 8,279 | 3,263 | 8,487 |
| | 3,294 | 8,567 | 3,416 | 8,884 |

| | 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 2022 | | | | |
| Within one year | 300 | 111 | 781 | 288 |
| In 2 to 5 years | 1,419 | 772 | 3,690 | 2,009 |
| More than 5 years | 3,758 | 2,411 | 9,774 | 6,270 |
| Lease liabilities | 5,477 | 3,294 | 14,245 | 8,567 |

AL BATINAH POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

12. Equity

(a) Share capital

The details of the shareholders are as follows:

| | Nationality | No. of shares held of nominal value 100 Bzs. each | % of total | Aggregate nominal value of shares held RO '000 |
|---|-------------|--|----------------|--|
| 31 March 2022 | | | | |
| Kahrabel FZE | UAE | 201,791,343 | 29.90% | 20,179 |
| Middle East Investment LLC | Omani | 96,508,899 | 14.30% | 9,651 |
| Civil Service Employees Pension Fund | Omani | 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 | 34,900,737 | 5.17% | 3,490 |
| Shareholders with less than 5% shareholding | | 112,842,375 | 16.72% | 11,286 |
| | | 674,887,430 | 100.00% | 67,489 |
| Nominal value in USD | | | | 175,523 |

31 December 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 | 6.55% | 4,429 |
| Ministry of Defence Pension Fund | Omani | 34,900,737 | 5.17% | 3,490 |
| Shareholders with less than 5% shareholding | | 112,842,375 | 16.73% | 11,286 |
| | | 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 2021: 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 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|------------------------------------|-----------------------------|------------------------------|---|--|
| 13. Term loans | | | | |
| Term loans | 110,718 | 287,952 | 110,718 | 287,952 |
| Less: current portion | (17,608) | (45,795) | (17,608) | (45,795) |
| Non-current portion | 93,110 | 242,157 | 93,110 | 242,157 |
| Less: unamortised transaction cost | (2,181) | (5,673) | (2,360) | (6,138) |
| | 90,929 | 236,484 | 90,750 | 236,019 |

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 2022 and 31 December 2021, the outstanding amounts were as follows:

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|----------------------------------|-----------------------------|------------------------------|---|--|
| Commercial Facility | 42,965 | 111,742 | 42,965 | 111,742 |
| Hermes Covered Variable Facility | 26,563 | 69,084 | 26,563 | 69,084 |
| Hermes Covered Fixed Facility | 16,955 | 44,096 | 16,955 | 44,096 |
| KEXIM Direct Facility | 16,508 | 42,933 | 16,508 | 42,933 |
| KEXIM Covered Facility | 7,727 | 20,097 | 7,727 | 20,097 |
| | 110,718 | 287,952 | 110,718 | 287,952 |

14. Trade and other payables

| | | | | |
|----------------------------------|--------------|--------------|--------|--------|
| Fuel gas payable and accrual | 473 | 1,230 | 12,238 | 31,829 |
| Accrued interest cost | 1,160 | 3,018 | 1,028 | 2,674 |
| Due to related parties (note 15) | 746 | 1,941 | 462 | 1,202 |
| Other payable and accruals | 631 | 1,642 | 786 | 2,046 |
| | 3,010 | 7,831 | 14,514 | 37,751 |

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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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 2022 RO'000s | 31 March 2022 USD'000s | 31 March 2021 RO'000s | 31 March 2021 USD'000s |
|-------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Key management benefits | 122 | 318 | 117 | 304 |

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

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | 31 March 2021 RO'000s | 31 March 2021 USD'000s |
|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| Shareholders: | | | | |
| Middle East Investment LLC | 4 | 10 | 3 | 10 |
| Public Authority for Social Insurance | 2 | 6 | 2 | 4 |
| Group companies and other related parties: | | | | |
| Suez-Tractebel Operation & Maintenance Oman LLC | 1,514 | 3,936 | 1,452 | 3,774 |
| Al Suwadi Power Company SAOG | 92 | 238 | 143 | 372 |
| Kahrabel Operations & Maintenance (Oman) LLC | 36 | 92 | 34 | 88 |
| Sojitz Corporation | 31 | 80 | 30 | 79 |
| International Power SA Dubai Branch | 9 | 24 | 10 | 25 |
| ENGIE SA | 8 | 20 | 8 | 20 |
| Directors' | 5 | 14 | 6 | 15 |
| Shikoku Electric Power Co., Inc. | 2 | 5 | 2 | 5 |
| | <u>1,703</u> | <u>4,425</u> | <u>1,690</u> | <u>4,392</u> |

The nature of the above transactions is as follows:

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Operation and maintenance ("O&M") fees (note 3) | 1,432 | 3,724 | 1,389 | 3,611 |
| Sharing of costs | 92 | 238 | 143 | 372 |
| Value added tax (VAT) | 66 | 169 | - | - |
| Secondment fees (note 4) | 64 | 165 | 62 | 161 |
| DSRA LC cost (note 5) | 17 | 44 | 17 | 44 |
| Professional fees | 9 | 23 | 10 | 25 |
| Directors' sitting fees (note 4) | 5 | 14 | 6 | 15 |
| Custom duty (note 3) | 1 | 2 | 2 | 5 |
| Capital & Initial spares | - | - | 59 | 153 |
| Others | 17 | 46 | 2 | 6 |
| | <u>1,703</u> | <u>4,425</u> | <u>1,690</u> | <u>4,392</u> |

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Notes to the unaudited condensed interim financial statements

15 Related party transactions (continued)

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|--|-----------------------------|------------------------------|---|--|
| <i>Balance due from a related party:</i> | | | | |
| Al Suwadi Power Company SAOG | 52 | 136 | 13 | 33 |
| <i>Balances due to related parties comprised:</i> | | | | |
| Shareholders: | | | | |
| Middle East Investment LLC | 6 | 16 | 3 | 7 |
| Public Authority for Social Insurance | 3 | 7 | 15 | 39 |
| Group companies and other related parties: | | | | |
| Suez-Tractebel Operation & Maintenance Oman LLC | 637 | 1,658 | 391 | 1,016 |
| Kahrabel Operations & Maintenance (Oman) LLC | 33 | 85 | 10 | 26 |
| Directors' | 23 | 61 | 20 | 53 |
| International Power SA Dubai Branch | 15 | 39 | 6 | 16 |
| ENGIE SA | 13 | 34 | 5 | 14 |
| Sojitz Corporation | 13 | 33 | 11 | 28 |
| Shikoku Electric Power Co., Inc. | 3 | 8 | 1 | 3 |
| | 746 | 1,941 | 462 | 1,202 |

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 2021.

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 2021 as reduced by amounts accounted for during the three month period ended 31 March 2022.

b) The Company has placed purchase orders for RO 31,768 (USD 82,621) which are outstanding as at 31 March 2022 [RO 36,549 (USD 95,056) as at 31 December 2021].

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Notes to the unaudited condensed interim financial statements

18. Net assets per share - adjusted

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

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | Audited 31 December 2021 RO'000s | Audited 31 December 2021 USD'000s |
|--|--------------------------------------|---------------------------------------|---|--|
| Net assets - shareholder funds | 100,758 | 262,050 | 102,646 | 266,960 |
| 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 | 149.30 | 388.29 | 152.09 | 395.56 |

The management believes that the hedging deficit of RO 2.72 million [USD 7.07 million] as at 31 March 2022 (RO 5.68 million [USD 14.77 million] as at 31 December 2021) 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 Net assets - shareholder funds.

19. Basic earnings per share

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

| | 31 March 2022 RO'000s | 31 March 2022 USD'000s | 31 March 2021 RO'000s | 31 March 2021 USD'000s |
|---|--------------------------------------|---------------------------------------|-----------------------------|------------------------------|
| Net (loss) for the period | (1,888) | (4,910) | (2,125) | (5,527) |
| Weighted average number of shares outstanding during the period ('000s) | 674,887 | 674,887 | 674,887 | 674,887 |
| Basic earnings per share (Baizas / cents) | (2.80) | (7.28) | (3.15) | (8.19) |