

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

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

Operational Results

In spite of the restrictions and challenges from the ongoing COVID 19 pandemic that began in early 2020, our plant has operated safely, efficiently and reliably mainly due to our plant operator's timely implementation of mitigation measures like staff work shift scheduling and meticulous staff safety precautions. During the six months of 2021, the plant delivered 2,451 GWh to the Omani grid as compared to 2,106 GWh delivered during the corresponding period of 2020 – an increase of 16.5%. The plant achieved an excellent reliability of 99.42%. An important extended hot gas path Inspection of one of the gas turbines was successfully accomplished during this period.

The Plant's good operational performance was achieved with no Lost Time Accidents to any of our staff, thereby clocking 3,651 Lost Time Accident free days since inception, and is reflective of our continued internal focus on Health, Safety, Environment and Quality Management.

A reliable technical solution as recommended by the consultants, to avoid future damage to the plant's sea water intake facility and that will avoid plant's expensive outages, is in progress.

Financial Results

	6 months 2021 RO'000s Unaudited	6 months 2020 RO'000s Unaudited	Percentage change
Revenues	40,322	36,851	9.4%
Direct costs	(29,383)	(25,616)	(14.7) %
Gross profit	10,939	11,235	(2.6) %
Profit before interest and tax	10,531	10,820	(2.7) %
Finance cost	(4,024)	(4,510)	10.8%
Profit(Loss) before tax	6,507	6,310	3.1%
Net profit (loss) for the period	5,523	5,396	2.4%
Earnings per Share (Baizas)	7.73	7.55	2.4%

The financial results for the six months of the current year are better than the corresponding period for the year 2020. Operationally, due to the plant's high ranking in the merit order of dispatch, the plant was dispatched at a high load factor of 76.6%. Higher generation and excellent plant's reliability has seen 9.4% growth in revenue over H1 2020. However, the increase in the direct cost was mainly due to higher heat rate loss arising from high plant load - an inherent operational plant deficiency and due to replacement cost of damaged compressor blades and vanes - discovered during the extended hot gas path inspection of one of the gas turbines. Additionally, during the inspection, cost was incurred to

undertake upgrades to the plant and equipment as recommended by Siemens. These upgrades are mandatory and enhance the plant's performance and reliability. The resultant 14.7% increase in the direct cost saw a reduction in gross profit by 2.6% as compared to H1 2020.

Good reduction in finance costs during the period has increased the net financial results and the earnings per share by 2.4% as compared to H1 2020.

The current unfavourable international financial market situation and Oman's credit rating has not been helpful in the Company's efforts to explore refinancing the project debts which could avoid future cash sweep. However, the Board will continue to follow-up the subject.

The share price was Baizas 55 at the end of June 2021.

Corporate Social Responsibility

Within its CSR initiative, the Company has supplied computer tablets to deserving school students of schools run by the Ministry of Education in the Wilayat of Barka. Further, medical equipment critically required for the primary health centre in the Wilayat of Barka would be supplied in Q3-2021 as per the Annual CSR plan for 2021.

Medium term Outlook

During H1 2021, extended hot gas path inspection of one GT and also the routine maintenance of all other plant equipment have been accomplished. Routine maintenance will be taken up further in the last quarter of the current year. All reasonable measures are being taken by the management to maintain high reliability level. Consequently, we expect a steady progress in the Company's financial performance.

Acknowledgement

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

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



Charles Paul Dexter
Chairperson

AL SUWADI POWER COMPANY SAOG**Unaudited condensed income statement***for the six month period ended 30 June*

	<i>Notes</i>	2021	2021	2020	2020
		RO'000s	USD'000s	RO'000s	USD'000s
Revenues		40,322	104,868	36,851	95,842
Direct costs	3	(29,383)	(76,419)	(25,616)	(66,623)
Gross profit		10,939	28,449	11,235	29,219
General and administrative expenses	4	(408)	(1,059)	(415)	(1,079)
Profit before interest and tax		10,531	27,390	10,820	28,140
Finance costs (net)	5	(4,024)	(10,467)	(4,510)	(11,729)
Profit before tax		6,507	16,923	6,310	16,411
Tax expense		(984)	(2,559)	(914)	(2,378)
Net profit for the period		5,523	14,364	5,396	14,033
Earnings per share					
Basic earnings per share (Baizas / cents)	19	7.73	20.11	7.55	19.64

The attached notes 1 to 20 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*

	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
Net profit for the period	5,523	14,364	5,396	14,033
Other comprehensive income/(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	<u>2,031</u>	<u>5,282</u>	<u>(5,240)</u>	<u>(13,628)</u>
Total comprehensive income for the period	<u>7,554</u>	<u>19,646</u>	<u>156</u>	<u>405</u>

The attached notes 1 to 20 form part of these condensed interim financial statements.

AL SUWADI POWER COMPANY SAOG

Unaudited condensed statement of financial position

as at

	Notes	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Assets					
Non-current assets					
Property, plant and equipment	6	253,376	658,975	257,207	668,937
Right-of-use assets	7	1,010	2,626	1,083	2,815
Capital spares		708	1,841	610	1,586
Total non-current assets		255,094	663,442	258,900	673,338
Current assets					
Inventory		1,890	4,915	1,867	4,856
Trade and other receivables	8	26,832	69,786	40,987	106,600
Short term deposit	9	-	-	692	1,800
Cash and cash equivalents	10	6,285	16,345	267	695
Total current assets		35,007	91,046	43,813	113,951
Total assets		290,101	754,488	302,713	787,289
Equity and liabilities					
Equity					
Share capital	12(a)	71,441	185,801	71,441	185,801
Legal reserve	12(b)	7,451	19,378	7,451	19,378
Retained earnings		26,324	68,466	22,587	58,747
Equity before hedging reserve		105,216	273,645	101,479	263,926
Hedging reserve	12(c)	(7,690)	(20,001)	(9,721)	(25,283)
Equity		97,526	253,644	91,758	238,643
Liabilities					
Non-current liabilities					
Term loans	13	114,057	296,637	115,468	300,307
Lease liabilities	11	1,036	2,695	1,095	2,848
Derivative instruments		9,047	23,529	11,436	29,744
Deferred tax liability		22,824	59,360	21,480	55,870
Asset retirement obligation		322	838	310	807
Total non-current liabilities		147,286	383,059	149,789	389,576
Current liabilities					
Trade and other payables	14	24,150	62,809	41,835	108,795
Lease liabilities	11	131	340	126	328
Short term borrowing		3,455	8,986	2,120	5,513
Term loans	13	17,553	45,650	17,085	44,434
Total current liabilities		45,289	117,785	61,166	159,070
Total liabilities		192,575	500,844	210,955	548,646
Total equity and liabilities		290,101	754,488	302,713	787,289
Net assets per share (Baizas / cents) - adjusted	18	147.28	383.04	142.05	369.43

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



Chairperson



Director

The attached notes 1 to 20 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	2021 RO'000s	2021 USD'000s	2020 RO'000s	2020 USD'000s
Cash flows from operating activities:					
Profit before tax		6,507	16,923	6,310	16,411
<i>Adjustments for:</i>					
Depreciation		4,082	10,616	4,079	10,610
Finance costs (net)		4,024	10,467	4,510	11,729
Loss/(gain) on disposals		0	0	(0)	(0)
Cash from operations before working capital changes		14,613	38,006	14,899	38,750
Changes in :					
Trade and other receivables		14,157	36,814	(21,436)	(55,751)
Inventory		(23)	(59)	0	0
Trade and other payables		(17,816)	(46,331)	18,192	47,313
Cash generated from operating activities		10,931	28,430	11,655	30,312
End of service benefits paid		-	-	(8)	(21)
Net cash flows generated from operating activities		10,931	28,430	11,647	30,291
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(178)	(465)	(20)	(52)
Sale proceeds from property, plant and equipment		(0)	(0)	0	0
Net cash flows (used in) investing activities		(178)	(465)	(20)	(52)
Cash flows from financing activities:					
Finance costs paid		(3,502)	(9,108)	(3,901)	(10,146)
Repayment of term loans		(1,385)	(3,603)	(1,557)	(4,049)
Proceeds from short term borrowing - net		1,335	3,473	1,450	3,771
Maturity of short term deposit		692	1,800	1,233	3,207
Dividend paid		(1,786)	(4,645)	(1,786)	(4,645)
Lease payments		(89)	(233)	(90)	(234)
Interest received		0	1	11	29
Net cash flows (used in) financing activities		(4,735)	(12,315)	(4,640)	(12,067)
Net change in cash and cash equivalents		6,018	15,650	6,987	18,172
Cash and cash equivalents at beginning of the period	10	267	695	291	756
Cash and cash equivalents at end of the period	10	6,285	16,345	7,278	18,928

The attached notes 1 to 20 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
Balance at 1 January 2021	71,441	7,451	22,587	(9,721)	91,758
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	5,523	-	5,523
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	2,031	2,031
Total comprehensive income for the period	-	-	5,523	2,031	7,554
<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 2021	71,441	7,451	26,324	(7,690)	97,526
Balance at 1 January 2020	71,441	6,367	17,477	(7,153)	88,132
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	5,396	-	5,396
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(5,240)	(5,240)
Total comprehensive income for the period	-	-	5,396	(5,240)	156
<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 2020	71,441	6,367	21,087	(12,393)	86,502

The attached notes 1 to 20 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
Balance at 1 January 2021	185,801	19,378	58,747	(25,283)	238,643
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	14,364	-	14,364
<i>Other comprehensive income for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	5,282	5,282
Total comprehensive income for the period	-	-	14,364	5,282	19,646
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(4,645)	-	(4,645)
Total transaction with owners of the Company	-	-	(4,645)	-	(4,645)
Balance at 30 June 2021	185,801	19,378	68,466	(20,001)	253,644
Balance at 1 January 2020	185,801	16,559	45,455	(18,604)	229,211
<i>Total comprehensive income for the period</i>					
Net profit for the period	-	-	14,033	-	14,033
<i>Other comprehensive (loss) for the period net of income tax</i>					
Cash flow hedges - effective portion of changes in fair value	-	-	-	(13,628)	(13,628)
Total comprehensive income for the period	-	-	14,033	(13,628)	405
<i>Transaction with owners of the Company</i>					
<i>Contribution and distribution</i>					
Dividend	-	-	(4,645)	-	(4,645)
Total transaction with owners of the Company	-	-	(4,645)	-	(4,645)
Balance at 30 June 2020	185,801	16,559	54,843	(32,232)	224,971

The attached notes 1 to 20 form part of these condensed interim financial statements.

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

1 Legal status and principal activities

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

The Company's objectives are to develop, finance, design, construct, operate, maintain, insure and own a power generating facility (the Barka 3 Power Plant with a capacity of about 750MW), and associated gas interconnection facilities and other relevant infrastructure; to make available the demonstrated power capacity; and to sell the electrical energy generated to Oman Power and Water Procurement Company SAOC. Accordingly, the Plant is considered and managed as one reportable segment. Commercial Operation of the Plant was achieved by the Company on 4 April 2013.

2 Basis of preparation and significant accounting policies

Basis of preparation

(a) *Statement of compliance*

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

(b) *Basis of measurement*

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

(c) *Use of estimates and judgements*

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

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

(d) *Presentation 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 2020.

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
3. Direct costs				
Fuel gas	20,940	54,461	17,744	46,147
Depreciation (note 6 & 7)	4,075	10,599	4,074	10,596
Operation and maintenance ("O&M") fees (note 15)	3,549	9,231	3,442	8,952
Insurance	293	763	242	630
Fuel oil	62	160	-	-
Custom duties (note 15)	31	79	18	48
Grid connection fee	9	23	8	22
Other O&M expenses	424	1,103	88	228
	29,383	76,419	25,616	66,623
4. General and administrative expenses				
Secondment fees (note 15)	127	329	123	320
Employment costs	94	243	83	215
Public company related costs	79	206	81	210
Agency fees	26	68	26	68
Directors' sitting fees (note 15)	11	29	15	38
Office rent	9	23	10	26
Depreciation (note 6)	7	17	5	14
Corporate social responsibility	5	13	20	52
Other general and administrative expenses	50	131	52	136
	408	1,059	415	1,079
5. Finance costs (net)				
Interest on term loans	1,918	4,988	2,929	7,617
Swap interest	1,479	3,847	897	2,334
Amortisation of deferred finance costs	442	1,149	497	1,294
Debt Service Reserve Account ("DSRA") LC cost (note 15)	73	190	77	199
Interest on short term borrowing	56	146	55	143
Interest on lease liabilities	35	92	39	102
Asset retirement obligation - unwinding of discount	11	30	11	28
Exchange loss	10	26	13	32
Interest income	(0)	(1)	(8)	(20)
	4,024	10,467	4,510	11,729

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
Cost					
1 January 2021	318,090	1,727	111	9	319,937
Addition during the period	5	3	1	169	178
Disposal during the period	-	-	(6)	-	(6)
30 June 2021	<u>318,095</u>	<u>1,730</u>	<u>106</u>	<u>178</u>	<u>320,109</u>
Depreciation					
1 January 2021	62,155	483	92	-	62,730
Charge during the period	3,968	35	6	-	4,009
Disposal during the period	-	-	(6)	-	(6)
30 June 2021	<u>66,123</u>	<u>518</u>	<u>92</u>	<u>-</u>	<u>66,733</u>
Carrying amount					
30 June 2021	<u>251,972</u>	<u>1,212</u>	<u>14</u>	<u>178</u>	<u>253,376</u>
31 December 2020	<u>255,935</u>	<u>1,244</u>	<u>19</u>	<u>9</u>	<u>257,207</u>
Cost					
1 January 2021	827,282	4,491	290	23	832,086
Addition during the period	14	8	3	440	465
Disposal during the period	-	-	(17)	-	(17)
30 June 2021	<u>827,296</u>	<u>4,499</u>	<u>276</u>	<u>463</u>	<u>832,534</u>
Depreciation					
1 January 2021	161,651	1,256	242	-	163,149
Charge during the period	10,320	90	17	-	10,427
Disposal during the period	-	-	(17)	-	(17)
30 June 2021	<u>171,971</u>	<u>1,346</u>	<u>242</u>	<u>-</u>	<u>173,559</u>
Carrying amount					
30 June 2021	<u>655,325</u>	<u>3,153</u>	<u>34</u>	<u>463</u>	<u>658,975</u>
31 December 2020	<u>665,631</u>	<u>3,235</u>	<u>48</u>	<u>23</u>	<u>668,937</u>

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

7. Right-of-use assets

	Connection Equipment RO'000s	Site Rent RO'000s	Total RO'000s
Cost			
1 January 2021	1,100	274	1,374
Addition during the period	-	-	-
30 June 2021	<u>1,100</u>	<u>274</u>	<u>1,374</u>
Depreciation			
1 January 2020	275	16	291
Charge during the period	69	4	73
30 June 2021	<u>344</u>	<u>20</u>	<u>364</u>
Carrying amount			
30 June 2021	<u>756</u>	<u>254</u>	<u>1,010</u>
31 December 2020	<u>825</u>	<u>258</u>	<u>1,083</u>
Cost			
	Connection Equipment USD'000s	Site Rent USD'000s	Total USD'000s
1 January 2021	2,861	713	3,574
Addition during the period	-	-	-
30 June 2021	<u>2,861</u>	<u>713</u>	<u>3,574</u>
Depreciation			
1 January 2020	717	42	759
Charge during the period	179	10	189
30 June 2021	<u>896</u>	<u>52</u>	<u>948</u>
Carrying amount			
30 June 2021	<u>1,965</u>	<u>661</u>	<u>2,626</u>
31 December 2020	<u>2,144</u>	<u>671</u>	<u>2,815</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 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
8. Trade and other receivables				
Trade receivables	26,743	69,554	40,577	105,531
Other receivables	77	201	64	168
Prepayments	12	31	329	856
Accrued income	-	-	17	45
	26,832	69,786	40,987	106,600

9. Short term deposit

As per the Common Terms Agreement ("CTA"), the Company is required to maintain a Debt Service Provisioning Account ("DSPA") to ensure funds are available to service the loan instalments and interest on due date. At each repayment date at the end of October, the Company is required to put the scheduled amount towards the next six monthly payments. The amount in the DSPA cannot be utilized for any purpose other than servicing the loan instalments and interest and is as such restricted cash. The amount lying in the DSPA account as at 31 December 2020 has been placed into a short term deposit which matured on 27 April 2021.

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
10. Cash and cash equivalents				
Cash in hand	1	3	1	4
Cash at bank	6,284	16,342	266	691
	6,285	16,345	267	695

11. Lease liabilities

Lease liabilities included in the statement of financial position as:

Current lease liabilities	131	340	126	328
Non-current lease liabilities	1,036	2,695	1,095	2,848
	1,167	3,035	1,221	3,176

	Contractual Undiscounted Cash flows RO'000s	Present value of lease payments RO'000s	Contractual Undiscounted Cash flows USD'000s	Present value of lease payments USD'000s
--	--	--	---	---

30 June 2021

Amount payable under operating leases

Within one year	196	131	511	340
In 2 to 5 years	786	616	2,045	1,601
More than 5 years	649	421	1,687	1,094
	1,631	1,167	4,243	3,035
Less: unpaid finance cost	(464)	-	(1,208)	-
Lease liabilities	1,167	1,167	3,035	3,035

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

12. Equity

(a) Share capital

The details of the shareholders are as follows:

	Nationality	No. of shares held of nominal value 100 Bzs. each	% of total	Aggregate nominal value of shares held RO '000
30 June 2021				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,750,331	10.74%	7,675
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	46,558,814	6.52%	4,656
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		127,950,812	17.91%	12,795
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
Nominal value in USD '000				<u>185,801</u>
31 December 2020				
Kahrabel FZE	UAE	213,607,492	29.90%	21,361
Middle East Investment LLC	Omani	102,160,110	14.30%	10,216
Civil Service Employees Pension Fund	Omani	76,750,331	10.74%	7,675
Sojitz Global Investment B.V.	Netherlands	51,080,055	7.15%	5,108
SEP International Netherlands B.V.	Netherlands	51,080,055	7.15%	5,108
Public Authority for Social Insurance	Omani	46,558,814	6.52%	4,656
Ministry of Defence Pension Fund	Omani	45,218,671	6.33%	4,522
Shareholders with less than 5% shareholding		127,950,812	17.91%	12,795
		<u>714,406,340</u>	<u>100.00%</u>	<u>71,441</u>
Nominal value in USD '000				<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 2020: RO 71,440,634 consisting of 714,406,340 shares of RO 0.1 each).

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

(b) Legal reserve

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

(c) Hedging reserve

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

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
13. Term loans				
Term loans	134,255	349,167	135,640	352,770
Less: current portion	(17,553)	(45,650)	(17,085)	(44,434)
Non-current portion	116,702	303,517	118,555	308,336
Less: unamortised transaction cost	(2,645)	(6,880)	(3,087)	(8,029)
	<u>114,057</u>	<u>296,637</u>	<u>115,468</u>	<u>300,307</u>

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

Hermes Covered Variable Facility	34,385	89,427	34,715	90,285
Commercial Facility	41,367	107,585	41,861	108,871
KEXIM Direct Facility	24,505	63,733	24,740	64,344
Hermes Covered Fixed Facility	21,160	55,032	21,363	55,560
KEXIM Covered Facility	12,838	33,390	12,961	33,710
	<u>134,255</u>	<u>349,167</u>	<u>135,640</u>	<u>352,770</u>

14. Trade and other payables

Fuel gas payable and accrual	20,940	54,461	39,876	103,705
Accrued finance cost	1,210	3,147	1,217	3,162
Due to related parties (note 15)	1,139	2,961	546	1,422
Other payables and accruals	861	2,240	196	506
	<u>24,150</u>	<u>62,809</u>	<u>41,835</u>	<u>108,795</u>

15. Related party transactions

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

Key management benefits

Key management personnel are those having authority for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Total compensation paid to the top five employees, including key management personnel for the six month period ended are as follows:

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Key management benefits	<u>163</u>	<u>424</u>	<u>158</u>	<u>411</u>

AL SUWADI POWER COMPANY SAOG**Notes to the unaudited condensed interim financial statements****15. Related party transactions (continued)**

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

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Shareholders:				
Middle East Investment LLC	74	192	73	189
Public Authority for Social Insurance	7	19	8	20
Group companies and other related parties:				
Suez-Tractebel Operation & Maintenance Oman LLC	4,288	11,153	3,494	9,089
Al Batinah Power Company SAOG	107	278	107	278
Kahrabel Operations & Maintenance (Oman) LLC	70	183	69	180
ENGIE SA	34	87	36	93
International Power SA Dubai Branch	18	48	34	88
Directors'	11	29	15	38
Sojitz Corporation	8	21	8	21
Shikoku Electric Power Co., Inc.	8	21	8	21
Laborelec Middle East	-	-	(0)	(0)
	<u>4,625</u>	<u>12,031</u>	<u>3,852</u>	<u>10,017</u>

The nature of the above transactions is as follows:

Operation and maintenance ("O&M") fees (note 3)	3,549	9,231	3,442	8,952
Other O&M expenses	376	978	33	86
Plant, capital spares and technical spares	266	693	-	-
Secondment fees (note 4)	127	329	123	320
Sharing of costs	106	275	107	278
DSRA LC cost (note 5)	73	190	77	199
Value added tax (VAT)	66	173	-	-
Custom duties (note 3)	31	79	18	48
Professional fees	18	48	34	88
Directors' sitting fees (note 4)	11	29	15	38
Backcharge of expenses	2	6	3	8
Technical services	-	-	(0)	(0)
	<u>4,625</u>	<u>12,031</u>	<u>3,852</u>	<u>10,017</u>

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
--	----------------------------	-----------------------------	---	--

Balances due to related parties comprised:

Shareholders:				
Middle East Investment LLC	22	57	12	31
Public Authority for Social Insurance	9	22	1	3
Group companies and other related parties:				
Suez-Tractebel Operation & Maintenance Oman LLC	972	2,527	423	1,101
Al Batinah Power Company SAOG	54	140	39	101
Kahrabel Operations & Maintenance (Oman) LLC	23	60	36	95
ENGIE SA	22	58	6	15
International Power SA Dubai Branch	20	53	2	5
Shikoku Electric Power Co., Inc.	5	14	1	4
Sojitz Corporation	5	14	1	4
Tractebel Engineering S.A.	3	7	3	7
Directors'	4	9	22	56
	<u>1,139</u>	<u>2,961</u>	<u>546</u>	<u>1,422</u>

AL SUWADI POWER COMPANY SAOG

Notes to the unaudited condensed interim financial statements

16. Financial risk management

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

17. Commitments

- a) Operation and maintenance commitments and land lease commitments are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020 as reduced by amounts accounted for during the six month period ended 30 June 2021.
- b) The Company has placed purchase orders for RO 330,751 (USD 860,210) which are outstanding as at 30 June 2021 [RO 688,815 (USD 1,791,456) as at 31 December 2020].

18. Net assets per share - adjusted

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

	30 June 2021 RO'000s	30 June 2021 USD'000s	Audited 31 December 2020 RO'000s	Audited 31 December 2020 USD'000s
Net assets - shareholder funds	105,216	273,645	101,479	263,926
Weighted average number of shares outstanding during the period/year ('000s)	714,406	714,406	714,406	714,406
Net asset per share (Baizas / cents) - adjusted	147.28	383.04	142.05	369.43

The management believes that the hedging deficit of RO 7.69 million (USD 20.00 million) as at 30 June 2021 [RO 9.72 million (USD 25.28 million) as at 31 December 2020] represents the loss which the Company would incur, if it opts to terminate its swap agreements on this date. However, under the terms of its financing agreements, the Company is not permitted to terminate the swap agreements. Accordingly the hedging deficit has been excluded from the Net assets - shareholder funds.

19. Basic earnings per share

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

	30 June 2021 RO'000s	30 June 2021 USD'000s	30 June 2020 RO'000s	30 June 2020 USD'000s
Net profit for the period	5,523	14,364	5,396	14,033
Weighted average number of shares outstanding during the period ('000s)	714,406	714,406	714,406	714,406
Basic earnings per share (Baizas / cents)	7.73	20.11	7.55	19.64

20. Comparative figures

Certain comparative figures have been reclassified where necessary to conform to the presentation adopted in these condensed interim financial statements.