

Sohar Power Company SAOG

**Unaudited condensed interim financial statements for
the period ended
30 September 2021**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of Sohar Power Company SAOG ("Sohar Power" or the "Company"), I am pleased to present you with the Quarterly Directors' Report of the Company for the period ended 30 September 2021, corresponding to the fifteenth year of operations of the Company.

Health & Safety

The Third Quarter of year 2021 has seen excellent Health and Safety performance for Sohar Power. There were no Lost Time Accidents (LTA), accumulating to 3,167 days without LTA at the end of September 2021. The Health and Safety of our employees, contractors, and visitors remains the utmost priority for the Company and its operator Sohar Operations & Maintenance Company LLC ("SOMC").

In addition, the global challenge continued in the form of the COVID-19 pandemic that required Sohar Power, its contractors and stakeholders to activate their Business Continuity and aspects of Disaster Recovery plans. The Company and its Operator remain vigilant, promoting social distancing, and ensuring that all protection measures are in place going forward. All staff have been vaccinated against the virus.

Operations & Maintenance

The plant achieved 99.84% reliability for power and 99.34% for water. Forced outages amounted to 0.16% for the power plant and 0.66% for the water plant in the reporting period.

The demand for power and water continued to be low due to the entrance of new water plant in the port area and overcapacity in the Oman electricity grid. The plant was in standby mode and under preservation most of the time; accordingly, the load factors of the plant in the reporting period reached 1.4% for power (2.5% in 2020) and 1.3% for water (1.3% in 2020) mainly due to performing the Annual Performance Test which was conducted in Feb'21.

An aggregate of 55 GWh net power and 0.5 million m³ potable water was delivered to the electricity and water grids respectively during the period.

Maintenance activities were performed by SOMC and its sub-contractors, in accordance with Original Equipment Manufacturers' recommendations, while applying the best standards and practices for health & safety and maintenance of the industry. All gas turbines underwent regular annual maintenance during the Winter Period; there were no Major Inspections undertaken during the Winter Period.

Financial Performance

The Board of Directors would like to announce that the Company has ended the period with a net loss of RO (3.069) million compared to a net profit of RO 1.570 million in the same period 2020.

The decrease in profit in 2021 is mainly due to the partial impairment of power plant which is offset by lower finance cost and better fuel margin compared to 2020.

The revenues for the period 2021 amount to RO 20.9 million against RO 21.2 million for the same period 2020. This mainly due to lower load factor of the plant (low power and water demand). As per the PWPA agreement with the off-taker, the variation of the Load Factor has no impact on the company profitability as the mainstream of the profit is generated from the available capacity and reliability of the plant, (load factor is a pass-through item under the PWPA (and financially neutral to the Company)).

The direct costs have decreased from RO 5.9 million in 2020 to RO 5.6 million in 2021, mainly due to the decrease in gas consumption as a result of lower load factor.

The reduction in finance costs by RO 0.9 million in 2021 in comparison to 2020 is associated with debt repayments during the year.

Long term loans were repaid, and swaps were settled on their due dates. The hedging deficit on the Company's swap agreements at the close of business on 30 September 2021, was RO 1.3 million, in comparison with valuations as of 31 December 2020 of RO 3.3 million. As per IAS 39, hedging deficit is calculated on each balance sheet date, and it represents a notional loss, which the Company may incur if it opts to terminate the swap agreements on this date. However, under the terms of Financing Agreements, the Company is not permitted to terminate its swap agreements and, as such, the loss is notional.

Under its Financing Agreements entered into with its lenders, Sohar Power is subject to a cash sweep mechanism which started on 30 September 2015 and will last until the full repayment of the long-term loans. The cash sweep mechanism prevents the distribution of dividends to shareholders since all the available cash is devoted to the repayment of the loans. This mechanism is common in financing agreements throughout the region and helps to provide a competitive tariff for an off-taker such as OPWP at the time of the bid. As previously disclosed, the pay-out of dividends ended in 2016, and there will be no more dividend distributions to shareholders unless the debt of the Company is refinanced, and the cash sweep is successfully removed. The Company has explored and continues to explore opportunities to refinance its project finance debt.

The share price decreased slightly to 0.044 during the year compared to RO 0.045 at the end of 31 December 2020.

Outlook

Looking ahead, the Company expects to maintain high reliability even though the delivered power and water level is expected to be at a same level seen in 2020, while undertaking periodic maintenance activities, in a safe working environment for its employees, contractors and visitors.

The Company engaged as well in the second phase of '2022 Power Procurement process' launched by OPWP RfP on 16th October 2019. The Company has submitted its offers on 29th April 2020 as per the processes of the RfP. After long awaited decision on the tender 2022 status, OPWP has issued a notice (already disclosed to the Muscat Stock Exchange on October 24th 2021) to the tenderers informing the annulment of the Power 2022 Procurement Process. OPWP stated that the drop in oil prices coupled with the repercussions of the pandemic have negatively impacted the demand growth of the electricity in the country which resulted in no requirement for any new power capacity to be procured under the Power 2022 Procurement Process.

Based on the above decision by OPWP, the Company may operate in the Spot Market currently under the last stages of trial run period and which is expected to go live before the end of this year, according to OPWP. Revenues will not be contracted in the Omani Spot Market; it will be subject to the overall

supply and demand in the Market. The Company has appointed an independent consultant to conduct a study to assess the company forecasted revenue should the plant operates in the spot market. Although the 7 Years Statement (2020-2026) has not been published by OPWP, based on reasonable assumptions with respect to the future demand growth and the existing overcapacity in the system, it is very unlikely that the Company will be able to secure a source of revenues under the current design of the Spot Market.

The energy transition is accelerating in Oman, caused by the continuous drop in prices for renewable energy such as photovoltaics and wind. This is likely to impact the competitiveness of existing conventional thermal plants and might substantially reduce their value beyond the term of their current P(W)PAs.

The Company will also engage with different stakeholders to assess the feasibility of the potential bilateral contracts for its plant, executive regulation to allow the Company to enter into this type of agreement is still awaited from the authorities.

The Company will continue the discussion with the offtaker and the authority regarding the issuance of the bilateral contract framework. The Company has reassessed the impairment of the plant which resulted in an impairment loss of OMR 6.6 million that is recorded in Q3 2021 unaudited financial statement. The Company will continue reassessing the impairment of the plant based on the future development and record the necessary adjustment should the outcome of all the options mentioned above do not support business continuity..

In case of none of the above options is feasible or viable, restructuring the outstanding debt after the current term of PWPA will be very challenging as well.

On behalf of the Board of Directors, I wish to thank our valued shareholders for their continued support, trust, and confidence. I would also like to thank all the personnel associated with the operation and maintenance of the plant in Sohar and the staff of the Company for their loyalty, dedication and commitment.

I would also like to express our gratitude to His Majesty Sultan Haitham bin Tarik and His Government for their continued guidance, support and encouragement to the private sector.

Luciano Guffanti

Chairman of the Board

Sohar Power Company SAOG

Unaudited condensed statement of financial position as at 30 September 2021

	Notes	30 September 2021 RO'000	31 December 2020 RO'000	30 September 2021 USD'000	31 December 2020 USD'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	66,362	81,821	172,370	212,523
Right-of-use assets	3	113	226	294	586
Total non-current assets		<u>66,475</u>	<u>82,047</u>	<u>172,664</u>	<u>213,109</u>
Current assets					
Inventories		869	793	2,257	2,060
Trade and other receivables	4	3,878	2,655	10,071	6,897
Bank balances	5	3,250	6,270	8,442	16,286
Total current assets		<u>7,997</u>	<u>9,718</u>	<u>20,770</u>	<u>25,243</u>
Total assets		<u><u>74,472</u></u>	<u><u>91,765</u></u>	<u><u>193,434</u></u>	<u><u>238,352</u></u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	6	22,101	22,101	57,405	57,405
Legal reserve	7	4,373	4,373	11,358	11,358
Accumulated Losses		(10,215)	(7,146)	(26,532)	(18,559)
Shareholders' equity		<u>16,259</u>	<u>19,328</u>	<u>42,231</u>	<u>50,204</u>
Hedging deficit - net of tax	8	(555)	(2,296)	(1,442)	(5,964)
Total capital and reserves		<u>15,704</u>	<u>17,032</u>	<u>40,789</u>	<u>44,240</u>
Non-current liabilities					
Hedging deficit	8	1,241	3,290	3,223	8,545
Non-current portion of long-term loans	9	35,000	46,628	90,910	121,112
Provision for decommissioning costs	10	1,899	1,800	4,932	4,675
Non-current Portion of Lease Liability	3	257	75	668	195
Deferred tax liability	11	6,372	8,048	16,551	20,905
Total non-current liabilities		<u>44,769</u>	<u>59,841</u>	<u>116,284</u>	<u>155,432</u>
Current liabilities					
Current portion of long term loans	9	9,450	9,232	24,545	23,979
Current Portion of Lease Liability	3	-	162	-	421
Current Portion of deferred revenue		478	1,881	1,242	4,886
Trade and other payables	12	2,482	2,016	6,447	5,236
Amount due to a related party	13	436	288	1,132	748
Provision for taxation	11	1,153	1,313	2,995	3,410
Total current liabilities		<u>13,999</u>	<u>14,892</u>	<u>36,361</u>	<u>38,680</u>
Total equity and liabilities		<u><u>74,472</u></u>	<u><u>91,765</u></u>	<u><u>193,434</u></u>	<u><u>238,352</u></u>
Net assets per share	19	<u>0.074</u>	<u>0.087</u>	<u>0.191</u>	<u>0.226</u>

These financial statements, as set out on pages 4 to 15, were approved and authorised for issue by the Board of Directors on 26 October 2021 and signed on their behalf by:

Chairman

Vice - Chairman

Sohar Power Company SAOG

Unaudited condensed statement of profit or loss for the period ended 30 September 2021

		30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Notes	RO'000	RO'000	USD'000	USD'000
Revenue	14	20,897	21,224	54,278	55,127
Cost of revenue	15	(21,179)	(14,716)	(55,011)	(38,224)
Gross profit		(282)	6,508	(733)	16,903
Other income	16	289	223	751	579
		<u>7</u>	<u>6,731</u>	<u>18</u>	<u>17,482</u>
Expenses					
General and administrative expenses	17	(605)	(954)	(1,570)	(2,477)
Finance costs	18	(3,013)	(3,958)	(7,827)	(10,280)
		<u>(3,618)</u>	<u>(4,912)</u>	<u>(9,397)</u>	<u>(12,757)</u>
Profit/(loss) before tax for the period		(3,611)	1,819	(9,379)	4,725
Income tax expense	11	542	(249)	1,408	(647)
Net profit/(loss) after tax for the period		<u>(3,069)</u>	<u>1,570</u>	<u>(7,971)</u>	<u>4,078</u>
Basic and diluted earnings per share	20	<u>(0.014)</u>	<u>0.007</u>	<u>(0.036)</u>	<u>0.018</u>

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Unaudited condensed statement of profit or loss for the period ended 30 September 2021

	Notes	30 September 2021 RO'000	30 September 2020 RO'000	30 September 2021 USD'000	30 September 2020 USD'000
Net profit/(loss) after tax for the period		(3,069)	1,570	(7,971)	4,078
Other comprehensive income:					
<i>Items that may be reclassified into profit and loss</i>					
Fair value gains on interest rate swaps		1,741	155	4,527	402
Related taxation	11	-	-	-	-
Total other comprehensive income for the period		<u>1,741</u>	<u>155</u>	<u>4,527</u>	<u>402</u>
Total comprehensive income for the period		<u><u>(1,328)</u></u>	<u><u>1,725</u></u>	<u><u>(3,444)</u></u>	<u><u>4,480</u></u>

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Unaudited condensed statement of changes in shareholders' equity for the period ended 30 September 2021

	Notes	Share capital RO'000	Legal reserve RO'000	Accumulated Losses RO'000	Hedging deficit RO'000	Total RO'000	Total USD'000
Balance beginning of the year		22,101	4,373	(7,146)	(2,296)	17,032	44,240
Net profit / (Loss) after tax for the period		-	-	(3,069)	-	(3,069)	(7,971)
Other comprehensive loss for the period		-	-	-	1,741	1,741	4,521
Transferred to legal reserve	7	-	-	-	-	-	-
At 30 September 2021		<u>22,101</u>	<u>4,373</u>	<u>(10,215)</u>	<u>(555)</u>	<u>15,704</u>	<u>40,790</u>
Balance at 1 January 2020 (as restated)		<u>22,101</u>	<u>4,148</u>	<u>(9,177)</u>	<u>(3,140)</u>	<u>13,932</u>	<u>36,192</u>
Net profit for the year		-	-	2,256	-	2,256	5,860
Other comprehensive income for the year		-	-	-	736	736	1,912
Transferred to legal reserve	7	-	225	(225)	-	-	-
Ineffective portion of cash flow hedge		-	-	-	108	108	276
At 31 December 2020		<u>22,101</u>	<u>4,373</u>	<u>(7,146)</u>	<u>(2,296)</u>	<u>17,032</u>	<u>44,240</u>

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Unaudited condensed statement of cash flows for the period ended 30 September 2021

		30 September 2021 RO'000	30 September 2020 RO'000	30 September 2021 USD'000	30 September 2020 USD'000
Operating activities	Notes				
Net profit(loss) before taxation		(3,611)	1,597	(9,379)	4,148
Depreciation		8,845	8,851	22,974	22,990
Partial Impairment to power plant		6,615	-	17,182	-
Finance costs		3,011	3,959	7,820	10,283
Deferred revenue		(1,403)	(1,150)	(3,644)	(2,987)
Operating profit before changes in working capital		13,457	13,257	34,953	34,434
Movements in working capital:					
(Increase)/Decrease in inventories		(75)	(113)	(196)	(294)
(Increase)/Decrease in trade and other receivables		(1,213)	(1,463)	(3,151)	(3,800)
(Increase)/Decrease in trade and other payables		778	1,400	2,020	3,636
Cash generated from operations		(510)	(176)	(1,327)	(458)
		-			
Payment of finance costs		(2,645)	(3,285)	(6,870)	(8,532)
Payment of income tax		(1,603)	(1,371)	(4,163)	(3,561)
Net cash provided by operating activities		(4,248)	(4,656)	(11,033)	(12,093)
Investing activities					
Purchase of property, plant and equipment	3	-	(4)	-	(10)
Net cash used in investing activities		-	(4)	-	(10)
Financing activities					
Net movement in long-term loans		(11,542)	(10,765)	(29,979)	(27,961)
Net cash used in financing activities		(11,542)	(10,765)	(29,979)	(27,961)
		-			
Net decrease in cash and cash equivalents		(3,020)	(2,343)	(7,844)	(6,086)
Cash and cash equivalents, beginning of the year		6,270	4,998	16,286	12,982
Cash and cash equivalents, end of the period	5	3,250	2,655	8,442	6,896

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Notes to the unaudited condensed financial statements 30 September 2021

1 Legal status and activities

Sohar Power Company SAOG ("the Company") was initially registered as a closed joint stock company in the Sultanate of Oman on 17 July 2004. The Company was incorporated on 22 June 2004. The Company has been established to build and operate a 585 megawatt (MW) electricity generating station and 33 Million Imperial Gallon per day of water desalination plant at Sohar. The commercial operation date ("COD") has been determined to be 28 May 2007. The shareholders in the Extra-ordinary General Meeting held on 23 March 2008 resolved to convert the company from a closed joint stock company into a public joint stock company.

The Company's principal place of business is located at Sohar, Sultanate of Oman.

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 Oman Commercial Companies Law of 2019 ("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.

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 financial statements 30 September 2021

3 Property, plant and equipment

(a) The movement in property, plant and equipment is as set out below:

September 2021	Buildings	Plant and machinery	Technical parts	Other assets	Decommissioning assets	Capital work-in-progress	Total	Total
Cost								
1 January 2021	7,027	189,443	5,093	26	777	219	202,585	526,196
Additions during the period	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-
Impairment	(231)	(6,217)	(167)	-	-	-	(6,615)	(17,182)
Transferred from capital work-in-progress during the year	-	-	-	-	-	-	-	-
At 30 September 2021	<u>6,796</u>	<u>183,226</u>	<u>4,926</u>	<u>26</u>	<u>777</u>	<u>219</u>	<u>195,970</u>	<u>509,014</u>
Accumulated depreciation								
1 January 2021	4,228	113,238	2,919	26	353	-	120,764	313,673
Charge for the period	306	8,292	227	-	19	-	8,844	22,971
At 30 September 2021	<u>4,534</u>	<u>121,530</u>	<u>3,146</u>	<u>26</u>	<u>372</u>	<u>-</u>	<u>129,608</u>	<u>336,644</u>
Net book amount								
At 30 September 2021	<u>2,262</u>	<u>61,696</u>	<u>1,780</u>	<u>-</u>	<u>405</u>	<u>219</u>	<u>66,362</u>	<u>172,370</u>

(b) Land on which the power station, building and auxiliaries are constructed has been sub-leased from Sohar Industrial Port Company SAOC for a period of 15 years from the COD. The sub-lease is further extendable for another 15 years. Lease rent is paid at the rate of approximately RO 64,000 (USD 165,000) per annum.

(c) Property, plant and equipment are mortgaged against long-term loan facilities (Note 9) availed by the Company.

(d) As mentioned in note 2a, the Company's existing long-term agreement for generation of electricity and production of water at Sohar ("PWPA") will end by April 2022. The Company had participated in the "Power 2022 procurement process" launched by the OPWP ("the Tender") and submitted proposals as called for in the Tender. SPC's existing PWPA in relation to power plant is expiring on 31st March 2022. Considering the cancellation of the Power 2022 Tender Process by OPWP, there was an impairment assessment done under IFRS to test the plant's recoverable value against its carrying value. Based on the assessment carried out by SPC, the plant's recoverable value was lower by OMR 6.6 million than its carrying value. This impact was taken to the income statement of the current quarter as required by IAS 36 "Impairment of Assets". Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset are expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action SPC may likely carry out.

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Notes to the unaudited condensed financial statements 30 September 2021

	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
3 Right-of-use assets and lease liability:				
Right-of-use assets				
At 1 January 2021	226	526	587	1,366
Depreciation Charges (note 15)	(113)	(300)	(294)	(780)
	<u>113</u>	<u>226</u>	<u>293</u>	<u>586</u>
Lease Liability				
At 1 January 2021	237	386	616	1,003
Finance Charge	144	17	374	44
Payments During the year	(124)	(166)	(322)	(431)
	<u>257</u>	<u>237</u>	<u>668</u>	<u>616</u>
Current Portion	-	(162)	-	(421)
Non-current portion	<u>257</u>	<u>75</u>	<u>668</u>	<u>195</u>
4 Trade and other receivables				
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Trade receivables	3,197	1,910	8,302	4,961
Advances and prepayments	331	273	860	709
Other advances	350	472	909	1,227
	<u>3,878</u>	<u>2,655</u>	<u>10,071</u>	<u>6,897</u>
5 Cash and cash equivalents				
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Current account balances with banks	<u>3,250</u>	<u>6,270</u>	<u>8,442</u>	<u>16,286</u>
	<u>3,250</u>	<u>6,270</u>	<u>8,442</u>	<u>16,286</u>

The current account balances with banks are non-interest bearing.

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Notes to the unaudited condensed financial statements 30 September 2021

6 Share capital

The authorised, issued and fully paid-up share capital of the Company as registered with the Ministry of Commerce and Industry is as follows:

	30 September 2021 RO'000	31 December 2020 RO'000	30 September 2021 USD'000	31 December 2020 USD'000
Authorised share capital of 600,000,000 shares of RO 0.100	<u>60,000</u>	<u>60,000</u>	<u>156,000</u>	<u>156,000</u>
Issued and fully paid-up share capital of 221,010,000 shares of RO 0.100	<u>22,101</u>	<u>22,101</u>	<u>57,405</u>	<u>57,405</u>

At the end of the period, shareholders who own 10% or more of the Company's share capital and the number of shares they hold are as follows:

Name of the shareholders	Percentage share holding	Number of shares held	Percentage share holding	No of shares held
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Kahrabel FZE	40%	77,353,500	40%	77,353,500
MENA Sohar 1SPV LTD	20%	44,202,000	20%	44,202,000
Civil Service Employees Pension Fund	20%	33,151,500	20%	33,151,500

7 Legal reserve

In accordance with the provisions of the Commercial Companies Law 18/2019, of the Sultanate of Oman, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the issued and fully paid-up share capital is set aside. During the current period RO NIL transferred to legal reserve. (2020 RO 225,000.)

8 Hedging deficit

In accordance with IFRS the hedge is tested quarterly for its effectiveness on the basis of clean fair values from the swap banks, and consequently effective and ineffective portions, if any, are recognised in the statement of changes in shareholders' equity and statement of profit or loss, respectively.

9 Long-term loans	30 September 2021 RO'000	31 December 2020 RO'000	30 September 2021 USD'000	31 December 2020 USD'000
Base facility	37,554	47,235	97,543	122,688
Repayment facility	7,224	9,086	18,764	23,600
Less: Current portion of long-term loans	<u>(9,450)</u>	<u>(9,232)</u>	<u>(24,545)</u>	<u>(23,979)</u>
	35,328	47,089	91,762	122,309
Less: deferred financing costs	<u>(328)</u>	<u>(461)</u>	<u>(852)</u>	<u>(1,197)</u>
Non-current portion of long-term loans	<u>35,000</u>	<u>46,628</u>	<u>90,910</u>	<u>121,112</u>

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Notes to the unaudited condensed financial statements 30 September 2021

Syndicated facilities

The Company has syndicated long-term loan facilities (“syndicated facilities”) in the aggregate maximum amount of approximately USD 455 million. HSBC Bank plc is the facility agent (“Facility Agent”) for administration and monitoring of the overall loan facilities. HSBC Bank USA - National Association and Bank Muscat has respectively been appointed as the off-shore security trustee and on-shore security agent for the secured finance parties.

10 Provision for decommissioning costs	30 September 2021 RO'000	31 December 2020 RO'000	30 September 2021 USD'000	31 December 2020 USD'000
At the beginning of the year	1,800	1,676	4,675	4,353
Unwinding of discount on decommissioning costs (Note 18)	99	124	257	322
At the end of the year	<u>1,899</u>	<u>1,800</u>	<u>4,932</u>	<u>4,675</u>

11 Income tax

The Company is subject to income tax in accordance with the income tax law of the Sultanate of Oman at the tax rate of 15% on taxable profits.

12 Trade and other payables

Trade payables	848	55	2,203	143
Accruals and other payables	1,634	1,961	4,244	5,093
	<u>2,482</u>	<u>2,016</u>	<u>6,447</u>	<u>5,236</u>

13 Related party transactions and balances

The Company, in the ordinary course of business, deals with parties, which fall within the definition of ‘related parties’ as contained in IAS 24. The management believes that such transactions are not materially different from those that could be obtained from unrelated parties.

Significant transactions during the period with related parties are as follows:	30 September 2021 RO'000	30 September 2020 RO'000	30 September 2021 USD'000	30 September 2020 USD'000
Services provided by Sohar Operations and Maintenance Co. LLC (SOMC)	3,040	2,934	7,896	7,621
Services provided by Power Management Co. LLC				
- Management fees	116	116	301	301
- Other administrative expenses	277	270	719	701
Services provided by Suez -Tractebel S.A.	30	193	78	501
International Power S.A. -PS Guarantee Fee	-	291	-	756
Key management remuneration	175	214	455	556
Directors’ meeting attendance fees	29	20	75	52
Electrabel S.A. - guarantee fee	40	58	104	151
MENA Sohar 1SPV LTD - LC fee	23	24	60	62
SOGEX Oman LLC - LC fee	6	6	16	16
MOD Pension Fund - LC fee	6	6	16	16

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A summary of the related party balances as at 30 September 2021 is as follows:

Amounts due to a related party	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Sohar Operations and Maintenance Co. LLC	436	288	1,132	748
	<u>436</u>	<u>288</u>	<u>1,132</u>	<u>748</u>

The balances due to related parties are unsecured, bear no interest, have no fixed repayment terms and have been disclosed separately in the statement of financial position.

14 Revenue

	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Power and water revenue	19,494	20,075	50,634	52,143
Transferred from deferred revenue	1,403	1,149	3,644	2,984
	<u>20,897</u>	<u>21,224</u>	<u>54,278</u>	<u>55,127</u>

15 Cost of revenue

	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Fuel gas	905	1,476	2,351	3,834
Operations and maintenance costs	3,040	2,934	7,896	7,621
Depreciation	8,845	8,738	22,974	22,696
Partial Impairment of power plant	6,615	-	17,182	-
Depreciation relating to right-of-use assets (Note 3)	113	113	294	294
Seawater extraction	599	589	1,556	1,530
Other operating expenses	1,062	866	2,758	2,249
	<u>21,179</u>	<u>14,716</u>	<u>55,011</u>	<u>38,224</u>

16 Other income

	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RO'000	RO'000	USD'000	USD'000
Reimbursement of extra tax payable	289	223	751	579
	<u>289</u>	<u>223</u>	<u>751</u>	<u>579</u>

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17 General and administrative expenses	30 September 2021 RO'000	30 September 2020 RO'000	30 September 2021 USD'000	30 September 2020 USD'000
Management fees	115.5	116	300	300
Directors' meeting attendance fees and remuneration	29	20	75	52
Legal and professional fees	52	47	135	122
Staff costs	23	23	60	60
Other administrative expenses	385	748	1,000	1,943
	<u>605</u>	<u>954</u>	<u>1,570</u>	<u>2,477</u>
18 Finance costs				
Interest on net settlement of swaps	2,090	1,806	5,429	4,691
Interest on base facility	465	1,055	1,208	2,740
Interest on repayment facility	89	203	231	527
Ineffective portion of changes in fair value of cash flow hedges	-	202	-	525
Amortisation of deferred financing costs	133	153	345	397
Other financial charges	137	452	357	1,174
Unwinding of discount on decommissioning costs (note 10)	99	87	257	226
	<u>3,013</u>	<u>3,958</u>	<u>7,827</u>	<u>10,280</u>
19 Net assets per share				
Net assets per share is calculated by dividing the shareholders' funds by the number of shares at the end of the period.				
	30 September 2021 RO'000	31 December 2020 RO'000	30 September 2021 USD'000	31 December 2020 USD'000
Shareholders' funds (in '000)	<u>16,259</u>	<u>19,328</u>	<u>42,231</u>	<u>50,204</u>
Number of issued and fully paid-up shares at the end of the period (in '000)	<u>221,010</u>	<u>221,010</u>	<u>221,010</u>	<u>221,010</u>
Net assets per share (RO/USD)	<u>0.074</u>	<u>0.087</u>	<u>0.191</u>	<u>0.226</u>

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20 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit for the year with the weighted average number of shares issued during the period.

	30 September 2021 RO'000	30 September 2020 RO'000	30 September 2021 USD'000	30 September 2020 USD'000
Net profit/(loss) for the period (in '000)	<u>(3,069)</u>	<u>1,570</u>	<u>(7,971)</u>	<u>4,078</u>
Weighted average number of shares at the end of the period (in '000)	<u>221,010</u>	<u>221,010</u>	<u>221,010</u>	<u>221,010</u>
Basic and diluted earnings per share (RO/USD)	<u><u>(0.014)</u></u>	<u><u>0.007</u></u>	<u><u>(0.036)</u></u>	<u><u>0.018</u></u>

22 Comparative Figures

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