

Management Discussion and Analysis Report (Q2 2025)

Overview

We are pleased to present Barka Water and Power Company SAOG (BWPC) operational performance and the unaudited financial statements for the period ended 30 June 2025.

The principal activities of Barka Water and Power Company SAOG (the ‘Company’) are to develop, finance, design, construct, operate, maintain, insure, and own power generating station and water desalination plants and other related infrastructure.

The Company’s business is regulated by project agreements with various government entities and financing agreements with project lenders. These project agreements provide an assurance both over revenue and cost elements of the business.

The Company had entered into Power and Water Purchase Agreement (PWPA) with Nama Power and Water Procurement Company (PWP) in 2024, which includes Power plant for 8 years and 9 months and multi-stage flash evaporator (MSFE) water plant for 3 years term with extension option at PWP’s discretion for a further term of 3 years and another term of 2 years & 9 months (total 8 years and 9 months term).

BWPC’s Water Purchase Agreements for both RO-1 and RO-2 facilities completed their contractual terms on 29 September 2024 inclusive of force majeure extended period due to abnormal seawater conditions.

The financial results of the period are summarized as under:

Figures in Thousands Riyal Omani

	Period Ended
	30 June 2025
Gross Revenues	14,713
Gross Profit	1,881
Profit after tax	303

HSE

Safety continued to be the highest priority for the Company. No safety incident was reported during the period while utilizing the scheduled outage time available to perform various maintenance activities. The team continued to demonstrate vigilance and implementation of international best practices related to safety. Similarly, the focus on environment resulted in no exceedances during the period. There have been zero environmental exceedances during the period and regulatory permits were maintained.

Operations

From an operational perspective, the reliability of the Power and MSFE Plants remained the focus

Power Generation

Power plant had achieved a reliability factor of 98.7% and a load factor of 25.8% for the reporting period.

Period 30 June	Electricity Delivered (MMWH)	Export Factor (%)	Reliability Factor (%)
2025	0.5	25.8	98.7

Water production

MSFE plant had achieved a reliability factor of 96.3% and a load factor of 10.9% for the reporting period.

Period 30 June	Water delivered	Export Factor	Reliability Factor
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	(Mm3)	(%)	(%)
2025	1.7	10.9%	96.3%

Maintenance

The team believes in a risk-based approach towards maintenance to create a viable balance between predictive, proactive and scheduled maintenance. Accordingly, all required predictive, proactive, scheduled, and corrective maintenance activities were implemented in well manner to assure the operations and availability of power plant and MSFE.

Below are the maintenance activities undertaken by the Operator to ensure reliable operations of the plants during the period.

Power Block:

- Boiler Feed Pump-2 major overhaul was completed, reinstalled, and commissioned.
- GT-1 hydraulic pump replaced and returned to service.
- GT-1 diverter damper bladder replaced; pressure issue resolved.
- HVAC condenser coils replaced ECB-CCR, GT-1, and GT-2. GT-2 AVR-2 alarms attended and cleared.
- Roof leak repairs are ongoing at Turbine Hall and Switchgear areas to avoid water ingress into the switch gear panels and to avoid flash overs.

Water Block MSFE:

- Main Seawater Pump-3 bearing replaced, pump back to operation.
- Main Seawater Pump-3 discharge valve Hydraulic pump was replaced and back to operation.
- DESAL-12 civil work in progress to enhance the integrity of the structure.
- Streat lights were replaced to LED type for more durability and power optimization.

RO-1 plant:

- RO racks membrane inspection was conducted.
- Self-cleaning filter routine inspection was carried out.
- Dosing Pumps PM was performed.

RO-2 plant:

- MF system dump valve was inspected, and system is normal.

- Auto strainers routine inspection was carried out.
- RO trains membrane inspection was conducted.
- Chemical dosing system was inspected.

Performance Tests

The Company successfully achieved the annual performance test for Power plant and the MSFE on 27 March 2025 as per the requirements of PWPA.

Omanisation

The Company and its Operator take Omanisation as a responsibility rather than a contractual obligation.

The Company and its Operator continued to remain in compliance with their contractual obligations. The Operator continued the practice of recruiting newly qualified graduates and developing them through numerous in-house and external training programs.

This policy of the Company and its Operator has resulted in the recruitment of experienced local talent at senior leadership positions.

Social responsibility

The Company firmly believes in the importance of social responsibility and has focused its effort in educational training programs by providing internship opportunities to young Omani talent and provision of site technical tours to university students.

Financial Highlights

Figures in RO '000

Income Statement	Period Ended 30-Jun-25	Period Ended 30-Jun-24
Total revenues	14,713	6,925
Operating costs	(12,832)	(6,392)
Gross profit	1,881	533
Other costs / Other Income	(1,444)	(1,083)
Taxation	(134)	64
Net profit after tax	303	(486)
Earnings per share	0.002	(0.003)

Revenue

The increase in revenue is due to commissioning of power plant & MSFE, marginally setoff with no RO plants revenue due to expiry of WPAs on 29 September 2024.

Gross Profit

The gross profit increased mainly due to power plant and MSFE operations.

Other Costs / Other Income

Other costs (net of other income) for the current period are higher due to higher finance cost resulted from refinancing.

Cash Flow Statement ‘000	Period Ended	Period Ended
	30-Jun-25	30-Jun-24
Cash and cash equivalents at the end of the period	4,500	363

Balance Sheet ‘000	As at	As at
	30-Jun-25	31-Dec-24
Total assets	74,430	77,027
Net shareholder’s equity	32,529	32,227
Paid up capital	16,000	16,000
Current ratio	1.32:1	1.25:1
Gearing ratio	44:56	45:55
Net assets per share – Riyal Omani	0.203	0.201

Outlook

The Company is striving to maintain its safety record in future without safety or environmental incident and to remain in compliance of local regulations.

The Company will continue its proactive and scheduled maintenance activities to assure uninterrupted operations and availability of Power plant and MSFE.

For RO plants, the Company is exploring available business opportunities, and the possibility of asset sale in the event of no firm RO’s capacity utilization.

The Company will make efforts to maintain adequate cash reserves to settle outstanding tax liabilities. These liabilities relate to open tax years which are under the assessment process by the Tax Authorities.

Chief Executive Officer

Finance Manager