

Board of Directors’ Report (Q3 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 September 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).

The financial results of the period are summarized as under:

Figures in Thousands Riyal Omani

	Period Ended
	30 September 2025
Gross Revenues	22,178
Gross Profit	3,859
Profit after tax	1,277

HSE

Safety continued to remain the highest priority for the Company during the reporting period. No safety incidents were recorded while the scheduled outage period was utilized to carry out critical maintenance activities. The workforce-maintained vigilance and adhered to the best international practices in safety management.

Regarding environmental performance, the Company achieved zero exceedances during the period, and all regulatory permits were fully complied with. This reflects the ongoing commitment to maintaining the highest standards of safety and environmental stewardship.

Operations

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

Power Generation

Power plant achieved a reliability factor of 99.1% and a load factor of 25.2% for the reporting period.

Period	Electricity Delivered (MMWH)	Export Factor	Reliability Factor
30 September		(%)	(%)
2025	0.4	25.2	99.1

Water production

MSFE plant achieved a reliability factor of 98.1% and a load factor of 6.9% for the reporting period.

Period	Water delivered (Mm3)	Export Factor	Reliability Factor
30 September		(%)	(%)
2025	1.7	6.9%	98.1%

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.
- GT1 Blow Off valves power supply MCB was replaced and back to normal.
- ST Generator winding temperature sensor issue resolved by switching the termination, and operation was resumed after verifying readings with the DCS.
- GT2 AVR-2 issues addressed by replacing faulty power supply units; the system is now operating without alarms.
- Gas pipeline cathodic protection transformer was upgraded and reference cells installed.
- S4HANA PM module migration completed; PM work orders are now being generated from the system.

Water Block MSFE:

- Preventive maintenance activities were carried out for DESAL-11 equipment and dry preservation were performed.
- DESAL-12 Structure painting activities were completed.

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 in senior leadership positions.

Social responsibility

The Company promotes social responsibility through internship programs for young Omani talent, technical site tours for university students, and a 'Back to School' initiative supporting underprivileged families and orphaned students in south Al Batinah.

Financial Highlights

Figures in RO '000

Income Statement	Period Ended 30-Sep-25	Period Ended 30-Sep-24
Total revenues	22,178	16,582
Operating costs	(18,318)	(12,948)
Gross profit	3,859	3,635
Other costs / Other Income	(2,892)	(1,637)

Taxation	(310)	38
Net profit after tax	1,277	2,036
Earnings per share	0.008	0.013

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-Sep-25	30-Sep-24
Cash and cash equivalents at the end of the period	7,429	2,797

Balance Sheet ‘000	As at	As at
	30-Sep-25	31-Dec-24
Total assets	76,324	77,027
Net shareholder’s equity	27,595	32,227
Paid up capital	16,000	16,000
Current ratio	1.48:1	1.25:1
Gearing ratio	53:47	45:55
Net assets per share – Riyal Omani	0.172	0.201

Interim dividends of Bzs 32.63 per share and Bzs 4.30 per share were distributed to the Company’s shareholders during the period.

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 has notified relevant authorities the intent to delist both RO’s from its licensed capacity, 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.

Chairman Board of Directors

Director