

Dear Shareholders,

On behalf of the Board of Directors of Barka Water and Power Company SAOG ('The Company'), I have the pleasure to present the Annual Report of the Company for the year ended 31 December 2025.

### **Highlights of the year**

Our proudest achievement remains our safety record of 23 years without a Lost Time Incident achieved on 2 May 2025. A safe working environment is our topmost priority in line with government directives, The Company and its Operator (NOMAC Oman) established special HSE and operational procedures ensuring safe operation. The credit of this remarkable milestone goes to the entire Barka team who all played a critical role in building such a safe environment.

The Company had entered into Power and Water Purchase Agreement (PWPA) with Nama Power and Water Procurement Company (PWP) 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 Water Purchase Agreements (WPAs) for both RO plants (Phase I and Phase II) expired on 29 September 2024 and the plants have since ceased their operations. APSR has confirmed the removal of RO Plants capacities from the Company's Generation and Desalination License. The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals. As the RO Plants have been already impaired in the Company's financial statements in 2024, no material loss is expected from their disposal.

The Company has met its obligations to the lenders by timely debt service of 6.8m during 2025.

The Company held its Annual General Meeting (AGM) for 2024 on 11 March 2025. All agenda items were approved by the shareholders.

### **Strategic positioning**

NPWP is the sole procurer of the power and water in Omani market and the primary fuel supplier is Ministry of Energy & Minerals. The operations and maintenance of the plants is performed by NOMAC Oman which is wholly owned by ACWA Power.

### **Operational performance**

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The operational performance will always remain the key contributor towards the Company's performance and is the backbone of any company in this sector.

The Power & MSFE plants achieved reliability factor of 99.1% & 98.2% respectively for 2025. Further the load factor for Power & MSFE plants remains at 28.7% & 5.4% respectively.

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

### **Occupational Health, Safety, and environment**

The landmark achievement during the year was the achievement of 23 years without a Lost Time Accident on 2 May 2025. This safety record is not merely a statistic but represents a lot of effort by all the individuals working at the plant. The Barka team strives to improve its work practice based on both internal and external reviews on its safety culture.

Safety remains your Company's topmost priority. The Operator has completed all maintenance activities including the repair work without any accident, which is a remarkable achievement considering the hazards involved with such activities. Preserving the environment is also one of the key considerations of your Company. We are pleased to inform you that there were no environmental exceedances during the year.

### **Financial performance**

The Company strongly believes in an open, transparent environment where integrity and sound ethics are imperative to success. The Company maintains the highest level of financial controls and reporting standards. Your Company continues to achieve these standards, and this is periodically confirmed by timely, accurate reporting as well as rigorous internal and external auditing processes and procedures. Your Company remains in compliance with the Code of Corporate Governance of the Financial Services Authority.

The Company recorded a gross profit of 5.1m (2024: 4.5m) for the year 2025. The increase mainly attributable to Power plant and MSFE full-year operations, slighted netted off with expiry of WPAs for RO plants in September 2024. The Company is reporting a net profit after tax of 1.3m (2024: 2.7m) which corresponds to earning per share of 0.008 (2024: 0.017).

The Company had distributed interim cash dividends of Bzs 32.63 and Bzs 4.30 per share to the shareholders during the year 2025.

People

The success of any business is driven by its people, the real assets, and their motivation.

The directors of your Company are a set of diversified individuals with vast financial, operational, technical, and market-oriented experience. They have successfully guided the business during challenging times. The Management of the Company, under the guidance of the Board, have worked diligently and creatively to implement the vision of the Board and to bring excellence to the business. The directors and Management of your Company have demonstrated their business acumen and strategy of looking after all shareholders’ interests and generating value for everyone.

I, along with the Board, would like to extend my gratitude to the team, which includes the operations and maintenance people of the Operator, who have given their fullest contribution to survive in challenging time. We reaffirm our commitment to develop and garner Omani talent.

The board recognizes the importance of nurturing local talent in line with the national vision and is fully committed to developing the local skill set.

Social Responsibility

The Company firmly believes in the importance of being a good corporate citizen in the conduct of its business activities as well as in fulfilling its corporate and social responsibilities.

| # | Beneficiary                       | Amount ( ) | Description                                                                                   |
|---|-----------------------------------|------------|-----------------------------------------------------------------------------------------------|
| 1 | Oman Charity Organization         | 5,000      | Contribution to Oman Charitable Organization                                                  |
| 2 | Trainees fee under Eiddad program | 14,025     | Sponsored for internship for Omani student trainees under the Eiddad program during the year. |
| 3 | Social Development Authority      | 3,000      | Back to School initiative- Support orphans and families in South Al Batinah                   |
| 5 | Porta cabin facility              | 3,000      | Port cabin facility for contractors and third-party workers.                                  |
|   | Total                             | 25,025     |                                                                                               |

Outlook for 2026

The Company will initial the disposal process for the RO plants upon obtaining the necessary approvals.

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

**Acknowledgements**

The Company would like to take this opportunity to express its respect and gratitude to all our stakeholders especially NPWP, Ministry of Energy & Minerals, the Authority for Public Services Regulation, and the Financial Services Authority.

Finally, on behalf of the Board of Directors, I would like to take the opportunity to express our gratitude to His Majesty Sultan Haitham bin Tarik and His Government for their vision, guidance, wisdom, and continued support. We would also like to acknowledge the progressive and enlightened vision of His Majesty Sultan Qaboos bin Said which continues to be a model for others to emulate and without it, the success being achieved by many would not have been possible.

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Chairman Board of Directors

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Director