

Business Framework

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 has been granted a Generation and Desalination License by the Authority for Public Services Regulation ("APSR") for a period of 25 years.

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 contracted out the operation and maintenance activities to First National Company for Operation and Maintenance Services LLC ('NOMAC Oman'). NOMAC Oman is an Omani company wholly owned by ACWA Power. The term of the O&M Agreements is co-terminus with the term of the PWPA.

The Barka Seawater Facilities Company (BSFC) was formed in 2010 as a joint venture between ACWA Power Barka and SMN Barka as 50% equity shareholders. BSFC constitutes seawater intake and outfall facilities. These facilities are currently being operated and maintained by NOMAC Oman under its O&M Agreement with BSFC.

Safety & Environment

The Company achieved landmark milestone of achieving 23 years without a Lost Time Incident in May 2025. Being the first of the Core values of the Company, Safety is always at the forefront. Through concerted efforts and continued focus on Safety by both Barka and NOMAC Oman teams, we have been able to achieve this result. To ensure this is a self-sustaining achievement, safety has been imparted as part of the culture which everyone feels proud to be part of.

There have been zero environmental exceedances during the year and regulatory permits were maintained.

Operational & Organizational Highlights

Power Generation

Power plant achieved a reliability factor of 99.1% and a load factor of 28.7% for the reporting period.

Year	Electricity Delivered (MMWH)	Export Factor (%)	Reliability Factor (%)
2025	1.0	28.7%	99.1
2024*	0.7	36.6%	87.5

* from 6 June 2024

Water Production (MSFE Plant)

MSFE plant achieved a reliability factor of 98.2% and a load factor of 5.4% for the reporting period.

Year	Water delivered (Mm3)	Export Factor (%)	Reliability Factor (%)
2025	1.7	5.4%	98.2%
2024*	0.5	11.8%	88.2%

* from 11 November 2024

Maintenance Highlights

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 and MSFE plants.

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

Power plant

- ◊ Testing of Steam Turbine transformer, generator protection relay, main transformer and OLTC tanks oil filtration and GCB completed.
- ◊ Calibration of Gas Turbines #1 & 2 Pressure Reducing Terminal's gas detectors completed.
- ◊ Deisel tank -1 cleaning and inspection was carried out.
- ◊ ST generator minor inspection completed
- ◊ ST 3rd governor control valve insulation completed.
- ◊ Compressor house extension done to accommodate 5th compressor and exhaust ducting done for all compressors.
- ◊ BFP-2 pump and motor overhauling completed.
- ◊ ACW-2 pump and motor overhauling completed.
- ◊ Band screan-2 overhauling completed.
- ◊ HRSG-1&2 passing valves and NRVs defects attended.
- ◊ ST borescope inspection for last stage was completed.
- ◊ ST main condenser cleaning completed.
- ◊ Streat lights lamps replaced with LED type.
- ◊ Corrosion survey for complete plant has been completed.

Water Block MSFE:

- ◊ Seawater intake screening system mechanical cleaning activity was conducted.
- ◊ Main seawater pump-3 motor overhauling in progress.
- ◊ MSFE 12 civil and painting work completed.
- ◊ MSFE 11,12,13& remen plant pumps and motors PM activities were completed.
- ◊ MSFE 11,12,13& remen plant safety valves service and calibration 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 at 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

in Millions					
Income Statement	2025	2024	2023	2022	2021
Revenue	30.8	25.7	13.4	14.7	39.5
Operating costs	25.7	21.2	10.9	14.1	26.9
Gross profit	5.1	4.5	2.5	0.6	12.6
Other costs	3.8	1.8	2.1	2.8	3.9
Net profit / (loss) after tax	1.3	2.7	0.4	(2.3)	8.7
Gross profit margin	17%	17%	18%	4%	31%
Net profit / (loss) margin	4%	11%	3%	(15%)	22%
Earnings / (loss) per share ()	0.008	0.017	0.002	(0.014)	0.054

Revenues

Total revenue is higher by 5.1m compared to the previous year. The increase is due to full year operations of power plant & MSFE as compared to partial operations in prior year, marginally setoff with no RO plants revenue due to expiry of WPAs on 29 September 2024.

Operating Costs

The increase in operating costs by 4.5 million is primarily attributable to higher fuel and O&M expenses resulting from the full-year operation of the power plant and

MSFE, partially offset by lower O&M costs for the RO plants. In addition, depreciation of property, plant and equipment increased due to impairment reversals recorded in the prior year and additions during the year.

Gross Profit

The increase in gross profit of 0.6m mainly attributable to full year power plant and MSFE operations partially offset with no RO plants operations due to expiry of WPAs on 29 September 2024.

Other Costs

Other costs (net of other income) for the current period are higher by 2.0m primarily due to higher finance costs resulting from long-term loan utilization, higher ECL and income tax expenses. Further impairment reversal of 0.7m was recognized in prior year.

in Millions					
Balance Sheet	2025	2024	2023	2022	2021
Total assets	73.9	77.0	69.8	80.6	92.4
Total equity	27.6	32.2	34.7	34.3	36.6
Paid up capital	16.0	16.0	16.0	16.0	16.0
Return on assets (%)	1.7	3.5	0.5	(2.8)	9.4
Net assets per share –	0.172	0.201	0.217	0.214	0.229
Return on paid up capital (%)	8	17	2	N/A	54
Debt equity ratio	52:48	45:55	32:68	37:63	40:60
Ordinary dividend (%)	36.93	32.18	-	-	-
Dividend per share – Bzs	36.93	32.18	-	-	-

N/A – Not Applicable since no meaningful return ratio is computable.

Debt Service and Dividends

The Company has met its obligations to the lenders by timely debt service of 6.8m. The Company distributed interim cash dividends of Bzs 32.63 and Bzs 4.30 per share to the shareholders during the year 2025.

Risks faced by the Company

The primary risks associated with the Company are:

- WPAs for RO plants expired on 29 September 2024 and their capacities have been delisted from Company’s 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 will take all necessary proactive measures to ensure that the dismantling of the plants is carried out safely and in an orderly manner.

- Cybersecurity related attacks are a real risk to industrial infrastructure around the world. The Company continued to implement a robust cybersecurity framework at its plants in line with requirements of the Authority to mitigate such risks.

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.

The Company will make efforts to maintain adequate cash reserves to settle its obligations and outstanding liabilities.

History of the Project

Introduction

The Company was incorporated as an Omani Joint Stock Company in the Sultanate of Oman on November 19, 2000 under a trade license issued by Ministry of Commerce & Industry.

History of the company

The Government of the Sultanate of Oman invited proposals (tender number 45/2000) in April 2000 for:

- 1) The design, procurement, construction, commissioning and financing of a natural gas and fuel oil fired electricity generating plant and a sea- water desalination plant, with an anticipated guaranteed net contracted capacity of about 427 MW of power and 20 MIGD of water, and the gas connection facilities; and
- 2) The operation & maintenance of the Plant in such a manner to ensure that the Plant and the gas connection facilities may always be operated for a period of 15 years from the COD; and
- 3) The sale of the electrical energy and water associated therewith, to the power purchaser, in accordance with the PWPA.

The Project was awarded by the Government to a consortium comprising AES Corporation and Multitech LLC, following a competitive bidding process. The consortium formed the Company for the purposes of entering into the Project Agreements and undertaking the Project. Subsequently in 2010, AES Corporation sold its shareholding in the Project to ACWA Power International. The Project has been developed by the Company under a Build, Own and Operate ("BOO") scheme. The BOO concept enables the Company to operate as a going concern beyond the contracted period of 15 years.

The 427 MW gas fired power plant and 20 MIGD desalination plant is situated on the Omani coast approximately 60 km north-west of Muscat. The site is strategically located near the main gas transmission system and electricity grid network.

The power section of the Plant uses two V94.2 Ansaldo Gas Turbines (to drive electrical generators) with Heat Recovery Steam Generators (HRSG's), which utilize the exhaust heat of the gas turbines to produce steam, and this steam is supplied to a Steam Turbine to complete the combined cycle. The desalination section of the Plant uses three identical Multi-stage Flash Evaporator desalination units supplied by Hitachi, which produce 6.67MIGD each.

The land for the Plant is owned by Government and is leased to the Company for 25 years (renewable for a further 25 years) under a Usufruct Agreement. The plot of land measures about 110,000 sq m. Enel power S.p.A of Italy and Hitachi Zosen Corporation of Japan were the principal Engineering, Procurement, and Construction (“EPC”) contractor(s) for the Project.

Major Stakeholders

Shareholders: ACWA Power, Social Protection Fund.

Lenders: Consortium of local banks led by Bank Muscat SAOG

Off taker: PWP

O&M arrangements: NOMAC Oman

EPC contractor(s): Enel power S.p.A. of Italy (Power) and Hitachi Zosen Corporation of Japan (MSFE)
ABEINSA (RO Phase I) & Osmoflo (RO Phase II)

Chief Executive Officer

Finance Manager