

Board of Directors’ Report (Q1 2026)

Overview

We are pleased to present Barka Water and Power Company SAOG (BWPC) operational performance and the unaudited financial statements for the period ended 31 March 2026.

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
	31 March 2026
Gross Revenues	8,037
Gross Profit	781
Loss after tax	(36)

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.

The recent regional developments have no impact on the operational performance of the Company, and the plant continues to operate normally. Additionally, as a precautionary measure, management has activated its internal emergency response protocols and actively monitoring the situation closely.

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 97.8% and a load factor of 37.6% for the reporting period.

Period	Electricity Delivered (MMWH)	Export Factor	Reliability Factor
31 March		(%)	(%)
2026	0.3	37.6	97.8
2025	0.3	35.2	97.5

Water production

MSFE plant achieved a reliability factor of 100% and a load factor of 1.6% for the reporting period.

Period	Water delivered (Mm3)	Export Factor	Reliability Factor
31 March		(%)	(%)
2026	0.1	1.6	100
2025	1.7	21.0	94.2

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:

- The excitation system and DCS upgrade
- Main condenser cleaning was completed.
- Generator and transformer protection relay testing was completed and found satisfactory.
- Routine maintenance and testing of transformers were completed.
- GT-1&2 generator and transformer maintenance and testing completed.
- GT-1&2 IGV inspection and cleaning completed.
- GT-1&2 Combustion chamber inspection completed.
- HRSG upstream MOV inspection completed.
- ST last stage borescope inspection completed.
- ST main condenser cleaning completed.

Water Block MSFE:

- Seawater intake screening system mechanical cleaning activity was conducted.
- Sea water header inspection and associated repair works were completed.
- Pumps and motors PM activities were completed.
- Safety valves service and calibration completed.

Performance Tests

The Company successfully achieved the annual performance test on fuel gas for Power plant and the MSFE in March 2026 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 contributions to the Oman Charitable Organization and supports Sultan Qaboos University through the Community Services Student Program, contributing to academic and community development.

Financial Highlights

Figures in '000

Income Statement	Period Ended 31-Mar-26	Period Ended 31-Mar-25
Total revenues	8,037	7,637
Operating costs	(7,256)	(7,498)
Gross profit	781	139
Other costs / Other Income	(821)	(806)
Taxation	4	38
Net profit after tax	(36)	(629)
Earnings per share	(0.000)	(0.004)

Revenue

The increase in revenue is due to higher load factor, slightly netted off with higher schedule outages.

Gross Profit

The gross profit increased mainly due to liquidity damages recognized in prior year.

Cash Flow Statement '000	Period Ended 31-Mar-26	Period Ended 31-Mar-25
Cash and cash equivalents at the end of the period	4,146	7,332

Balance Sheet '000	As at 31-Mar-26	As at 31-Mar-25
Total assets	72,608	73,918
Net shareholder’s equity	26,812	27,573
Paid up capital	16,000	16,000
Current ratio	1.43:1	1.42:1
Gearing ratio	52:48	52:48
Net assets per share –	0.168	0.172

Interim dividend of Bzs 4.53 per share was 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.

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

Chairman Board of Directors

Director