

Board of Directors’ Report (Q2 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 30 June 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 |
|------------------|--------------|
|                  | 30 June 2026 |
| Gross Revenues   | 21,697       |
| Gross Profit     | 3,058        |
| Profit after tax | 1,210        |

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 97.6% and a load factor of 57.1% for the reporting period.

| Period  | Electricity<br>Delivered<br>(MMWH) | Export Factor | Reliability Factor |
|---------|------------------------------------|---------------|--------------------|
| 30 June |                                    | (%)           | (%)                |
| 2026    | 1.0                                | 57.1          | 97.6               |
| 2025    | 0.5                                | 25.8          | 98.7               |

Water production

MSFE plant achieved a reliability factor of 100% and a load factor of 0.8% for the reporting period.

| Period  | Water delivered<br>(Mm3) | Export Factor | Reliability Factor |
|---------|--------------------------|---------------|--------------------|
| 30 June |                          | (%)           | (%)                |
| 2026    | 0.13                     | 0.8           | 100                |
| 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:

- GT2 combustion chamber inspection completed
- DCS updated graphics were deployed.
- ST mechanical repairs, electrical maintenance, and I&C inspections and calibration.

Water Block MSFE:

- Intake buoy repairs carried out.

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 two government schools by supporting the Internet system contributing to academic and community development.

Financial Highlights

Figures in OMR ’000

| Income Statement           | Period Ended<br>30-Jun-26 | Period Ended<br>30-Jun-25 |
|----------------------------|---------------------------|---------------------------|
| Total revenues             | 21,697                    | 14,713                    |
| Operating costs            | (18,639)                  | (12,832)                  |
| Gross profit               | 3,058                     | 1,881                     |
| Other costs / Other Income | (1,646)                   | (1,210)                   |
| Taxation                   | (202)                     | (134)                     |
| Net profit after tax       | 1,210                     | 303                       |
| Earnings per share         | 0.008                     | 0.002                     |

## 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 higher electricity costs and liquidated damages in prior period.

| Cash Flow Statement OMR ‘000                       | Period Ended | Period Ended |
|----------------------------------------------------|--------------|--------------|
|                                                    | 30-Jun-26    | 30-Jun-25    |
| Cash and cash equivalents at the end of the period | 3,494        | 4,502        |

| Balance Sheet OMR ‘000     | As at     | As at     |
|----------------------------|-----------|-----------|
|                            | 30-Jun-26 | 30-Jun-26 |
| Total assets               | 72,371    | 73,918    |
| Net shareholder’s equity   | 28,059    | 27,573    |
| Paid up capital            | 16,000    | 16,000    |
| Current ratio              | 1.34:1    | 1.42:1    |
| Gearing ratio              | 49%       | 52%       |
| Net assets per share – OMR | 0.175     | 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.

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Chairman Board of Directors

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Director