

**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**

together with

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**For the three-month and nine-month periods ended 30 September 2025**

**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the three-month and nine-month periods ended 30 September 2025**

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## KPMG Professional Services Company

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P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No. 10104245494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٤٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements

## To the Shareholders of Alkhorayef Water and Power Technologies Company

### Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim financial statements of **Alkhorayef Water and Power Technologies Company ("the Company")** and its **subsidiaries ("the Group")** which comprises:

- the condensed consolidated statement of financial position as at 30 September 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025 condensed consolidated interim financial statements of **Alkhorayef Water and Power Technologies Company and its subsidiaries** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

### KPMG Professional Services Company

**Fahad Mubark Al Dossari**  
License No: 469

Riyadh on: 11 November 2025  
Corresponding to: 20 Jumada Al Ula 1447H



**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 September 2025**  
(Saudi Arabian Riyals)

	<u>Notes</u>	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property and equipment	7	330,604,088	340,703,773
Intangible assets		1,974,440	2,178,076
Right-of-use assets		954,482	1,814,487
Equity accounted investees	5	-	7,411,097
Concession contract receivables	6	695,198,660	254,588,114
Capital advances		1,604,327	10,020,303
<b>Total non-current assets</b>		<b>1,030,335,997</b>	<b>616,715,850</b>
<b>Current assets</b>			
Concession contract receivables	6	93,761,642	112,674,503
Inventories		95,661,396	123,377,280
Prepayments and other current assets	8	230,462,302	178,863,373
Contract assets	9	533,712,202	563,994,315
Trade and other receivables	10	615,623,541	462,461,151
Cash and cash equivalents	11	390,905,782	322,293,581
<b>Total current assets</b>		<b>1,960,126,865</b>	<b>1,763,664,203</b>
<b>TOTAL ASSETS</b>		<b>2,990,462,862</b>	<b>2,380,380,053</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	12	350,000,000	350,000,000
Statutory reserve		46,474,071	46,474,071
Retained earnings		502,663,832	365,768,847
Actuarial valuation reserve		6,660,353	6,660,353
Other reserves of equity-accounted investees	5	(16,155,938)	7,339,581
<b>Total equity</b>		<b>889,642,318</b>	<b>776,242,852</b>
<b>Non-current liabilities</b>			
Employees' defined benefit liabilities		67,809,147	60,496,464
Lease liabilities		100,490	524,397
Term loans	13	594,597,048	166,836,326
<b>Total non-current liabilities</b>		<b>662,506,685</b>	<b>227,857,187</b>
<b>Current liabilities</b>			
Trade payables, accruals and other liabilities	14	905,979,931	698,606,778
Advance from customer		44,303,981	93,526,694
Provisions	15	85,650,710	34,252,683
Zakat payable	20	18,817,645	16,527,051
Lease liabilities		683,949	1,071,500
Term loans	13	382,877,643	532,295,308
<b>Total current liabilities</b>		<b>1,438,313,859</b>	<b>1,376,280,014</b>
<b>Total liabilities</b>		<b>2,100,820,544</b>	<b>1,604,137,201</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,990,462,862</b>	<b>2,380,380,053</b>

The attached notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.

These consolidated financial statements have been authorised for issuance by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

 _____ Chairman of Board of Directors	 _____ Chief Executive Officer	 _____ Chief Financial Officer
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**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
**For the three-month and nine-month periods ended 30 September 2025**  
(Saudi Arabian Riyals)

		For the three-month period ended 30 September (Unaudited)		For the nine-month period ended 30 September (Unaudited)	
	Note	2025	2024	2025	2024
<b>PROFIT OR LOSS</b>					
Revenue	18	601,648,521	450,783,054	1,878,675,332	1,342,467,564
Cost of revenue	19	(471,818,306)	(367,324,421)	(1,529,236,605)	(1,060,590,219)
<b>Gross profit</b>		<b>129,830,215</b>	<b>83,458,633</b>	<b>349,438,727</b>	<b>281,877,345</b>
Other income		2,222,162	3,260,365	7,601,868	6,906,395
Selling and distribution expenses		(1,592,417)	(1,648,261)	(2,939,896)	(4,684,851)
General and administrative expenses		(48,398,866)	(19,523,816)	(129,797,069)	(53,854,423)
Impairment loss on trade receivables and contract assets	9&10	(3,971,460)	(3,913,983)	(1,440,108)	(10,570,908)
Gain from sale of property and equipment		215,225	184,447	486,826	150,845
Foreign exchange gains / loss		864,537	(167,329)	522,440	(211,820)
<b>Operating profit</b>		<b>79,169,396</b>	<b>61,650,056</b>	<b>223,872,788</b>	<b>219,612,583</b>
Finance income		11,905,580	652,980	33,099,374	652,980
Finance costs		(14,041,659)	(12,332,016)	(45,736,811)	(34,934,753)
Share of loss from equity accounted investees	5	(2,239,077)	(4,963,513)	(9,011,826)	(8,694,345)
<b>Profit before Zakat</b>		<b>74,794,240</b>	<b>45,007,507</b>	<b>202,223,525</b>	<b>176,636,465</b>
Zakat expenses	20	(5,208,848)	(4,820,418)	(12,828,540)	(16,500,782)
<b>Profit for the period</b>		<b>69,585,392</b>	<b>40,187,089</b>	<b>189,394,985</b>	<b>160,135,683</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Item that will be reclassified subsequently to profit or loss:</i>					
Share of other comprehensive loss from equity accounted investees	5	(4,625,847)	-	(23,495,519)	-
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Remeasurment of employee end of services benefites		-	-	-	-
<b>Other comprehensive loss</b>		<b>(4,625,847)</b>	<b>-</b>	<b>(23,495,519)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>64,959,545</b>	<b>40,187,089</b>	<b>165,899,466</b>	<b>160,135,683</b>
<b>Earnings per share (EPS):</b>					
Basic and diluted earning per share	16	1.99	1.15	5.41	4.58

The attached notes from 1 to 26 form an integral part of these  
condensed consolidated interim financial statements.

These consolidated financial statements have been authorised for issuance by the  
Board of Directors on behalf of the Shareholders and signed on its behalf by:



Chairman of Board of  
Directors



Chief Executive Officer



Chief Financial Officer

**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY AND ITS SUBSIDIARIES**  
**AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the nine-month period ended 30 September 2025**  
(Saudi Arabian Riyals)

	Share capital	Statutory reserve	Retained earnings	Actuarial Reserve	Other reserves of equity-accounted investees	Total
As at 1 January 2024 (Audited)	250,000,000	46,474,071	235,766,628	5,349,930	-	537,590,629
Increase in share capital (Unaudited) – note 12	100,000,000	-	(100,000,000)	-	-	-
Profit for the period (Unaudited)	-	-	160,135,683	-	-	160,135,683
Other comprehensive income (Unaudited)	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME (UNAUDITED)</b>	-	-	160,135,683	-	-	160,135,683
As at 30 September 2024 (Unaudited)	350,000,000	46,474,071	295,902,311	5,349,930	-	697,726,312
As at 1 January 2025 (Audited)	350,000,000	46,474,071	365,768,847	6,660,353	7,339,581	776,242,852
Profit for the period (Unaudited)	-	-	189,394,985	-	-	189,394,985
Other comprehensive loss (Unaudited)	-	-	-	-	(23,495,519)	(23,495,519)
<b>TOTAL COMPREHENSIVE INCOME (Unaudited)</b>	-	-	189,394,985	-	(23,495,519)	165,899,466
Dividends (Unaudited) – (note 21)	-	-	(52,500,000)	-	-	(52,500,000)
As at 30 September 2025 (Unaudited)	350,000,000	46,474,071	502,663,832	6,660,353	(16,155,938)	889,642,318

The attached notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.

These consolidated financial statements have been authorised for issuance by the Board of Directors on behalf of the Shareholders and signed on its behalf by:



Chairman of Board of Directors



Chief Executive Officer



Chief Financial Officer



**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the nine-month period ended 30 September 2025**  
(Saudi Arabian Riyals)

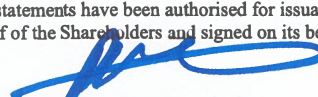
		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	Note		
<b>OPERATING ACTIVITIES</b>			
Profit before zakat for the period		202,223,525	176,636,465
<u>Adjustments:</u>			
Depreciation of property and equipment	7	46,713,682	40,038,817
Depreciation of right-of-use assets		1,388,966	932,058
Amortization		203,636	-
Gain on sale of property and equipment		(486,826)	(150,845)
Provision for employees' defined benefits		13,176,395	11,815,663
Provision for expected credit losses		1,440,108	10,570,908
Other provisions		35,315,567	13,337,888
Finance income	5	(1,118,358)	(750,927)
Finance costs		45,017,256	34,934,753
Amortisation of the upfront fees		719,555	-
Share of loss from equity accounted investees	5	9,011,826	8,694,345
Gain on termination of lease		-	(40,305)
		<u>353,605,332</u>	<u>296,018,820</u>
<u>Changes in working capital:</u>			
Prepayments and other current assets		(51,598,929)	(149,160,813)
Trade and other receivables		(164,963,157)	119,934,682
Contract assets		40,642,772	(107,972,750)
Inventories		27,715,884	(14,914,391)
Concession contract receivables		(421,697,685)	(168,089,138)
Advance from customer		(49,222,713)	134,299,300
Trade payable, accruals and other liabilities		207,373,153	177,450,099
Amount due to related parties		-	(1,824,199)
<i>Cash flows (used in) / generated from operating activities</i>		<u>(58,145,343)</u>	<u>285,741,610</u>
Finance costs paid		(45,083,896)	(30,264,656)
Zakat paid		(10,537,946)	(15,292,584)
Employees' defined benefits paid		(5,863,712)	(5,833,249)
<b>Net cash (used in) / generated from operating activities</b>		<u>(119,630,897)</u>	<u>234,351,121</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	7	(37,142,879)	(52,896,190)
Movement in capital advances		8,415,976	(44,317,333)
Proceeds from sale of property and equipment		1,015,708	596,512
Investment in equity accounted investee	5	-	(50,000)
Loan to equity accounted investee	5	(8,611,750)	(4,361,000)
Payment received on loan to equity accounted investee	5	809,839	332,433
<b>Net cash used in investing activities</b>		<u>(35,513,106)</u>	<u>(100,695,578)</u>
<b>FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(1,340,419)	(1,257,609)
Finance costs paid on lease liabilities		(26,879)	(58,891)
Upfront fees paid		(6,044,265)	-
Proceeds from term loans	13	704,631,551	568,625,374
Repayment of term loans	13	(420,963,784)	(504,179,846)
Dividends paid	21	(52,500,000)	-
<b>Net cash generated from financing activities</b>		<u>223,756,204</u>	<u>63,129,028</u>
<b>Net change in cash and cash equivalents</b>		<u>68,612,201</u>	<u>196,784,571</u>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<u>322,293,581</u>	<u>69,143,003</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>390,905,782</u>	<u>265,927,574</u>
<b>SIGNIFICANT NON-CASH TRANSACTIONS</b>			
Recognition of right-of-use assets and lease liabilities		528,961	-
Increase in share capital through issue of bonus shares		-	100,000,000

The attached notes from 1 to 26 form an integral part of these condensed consolidated interim financial statements.

• These consolidated financial statements have been authorised for issuance by the Board of Directors on behalf of the Shareholders and signed on its behalf by:



Chairman of Board of Directors



Chief Executive Officer



Chief Financial Officer

**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three-month and nine-month periods ended 30 September 2025**  
(Saudi Arabian Riyals)

**1. CORPORATE INFORMATION**

Alkhorayef Water and Power Technologies Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010085982 dated 22 Safar 1412H (corresponding to 1 September 1991). The registered office is located at Olaya Street, As-Sahafah District - Riyadh.

The Company is engaged in contracting buildings, roads, industrial, mechanical, marine and electrical works, cleaning of buildings and cities, operation and maintenance of medical centers, hospitals, airports, and waste disposal, and environmental pollution control.

Alkhorayef Group Company (AGC) is the Parent Company and Abdullah Ibrahim Alkhorayef Sons Company (AIA) is the Ultimate Holding Company.

On 16 Jumada Al Awal 1442H (corresponding to 31 December 2020), the Capital Market Authority announced the approval to offer 7,500,000 shares for public subscription representing (30%) of the Company’s shares.

The Company has the following branches:

<b>Branch Commercial Registration Number</b>	<b>Branch</b>	<b>Date of registration</b>
1010468210	Riyadh	22 Jumada’I 1438H
1010615747	Riyadh	7 Rabi’II 1441H
2050125508	Dammam	2 Ramadan 1440H
1009099162	Riyadh	13 Rabi’I 1446H
1009099163	Riyadh	13 Rabi’I 1446H
4032275310	Taif	26 Shawwal 1445H

On 12 Safar 1443H (corresponding to 12 September 2022), the Company established a new branch in Iraq which is not operational as at 30 September 2025.

The Company has the following wholly owned subsidiaries:

<b>Company</b>	<b>Origin</b>	<b>Date of incorporation</b>	<b>Principal activity</b>	<b>Capital</b>
The Fifth Package Development Company for Environmental Services	Saudi Arabia	9 October 2023	Water and waste collection and management, environmental pollution control.	100,000
The Sixth Package Development Company for Environmental Services	Saudi Arabia	21 January 2024	Water and waste collection and management, environmental pollution control.	100,000
The Seventh Package Development Company for Environmental Services	Saudi Arabia	3 July 2024	Water and waste collection and management, environmental pollution control.	100,000

The Company has the following joint arrangements:

<b>Join operations name</b>	<b>Location</b>	<b>Principal activities</b>	<b>Percentage of ownership</b>	
			<b>2025</b>	<b>2024</b>
Engineering, procurement and construction for Rayis-Rabigh project (EPC)	Kingdom of Saudi Arabia	Engineering, procurement and construction	<b>50%</b>	50%
Operation and Maintenance for Hadda and Arana Wastewater Treatment Plants in Mecca	Kingdom of Saudi Arabia	Operations and Maintenance	<b>49%</b>	49%

These condensed consolidated interim financial statements include the activities of the Company and its subsidiaries and joint operations (collectively referred to as the “Group”).



**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**For the three-month and nine-month periods ended 30 September 2025**

(Saudi Arabian Riyals)

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The condensed consolidated interim financial statements (“financial statements”) have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024 (“last annual financial statements”).

These consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The condensed consolidated interim financial statements are prepared under the historical cost convention using the accrual basis of accounting and going concern concept, except for the employees’ end of service benefits that is measured at the present value of defined benefit obligation, which has been actuarially valued using the project unit credit method.

These condensed consolidated interim financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the of the Company its subsidiaries and joint arrangements. All amounts have been rounded to nearest Saudi Riyal, unless otherwise indicated elsewhere.

**3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

In preparing these consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

The significant judgments made by management in applying the Group’s accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

**4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE**

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

The following new standards and amendments were applied for the first time in 2025, but did not have a significant impact on the condensed consolidated interim financial statements of the Group.

<b><u>New currently effective requirements</u></b>	<b><u>Mandatory effective date</u></b>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s condensed consolidated interim financial statements are as follows.

<b><u>Forthcoming requirements</u></b>	<b><u>Effective for annual periods beginning on or after</u></b>
Classification and measurement of financial instruments – Amendments to IFRS 9 and 7	1 January 2026
Contracts Referencing Nature- dependent Electricity – Amendments to IFRS 9 and 7	1 January 2026
Annual improvements to IFRS standards – Volume 11	1 January 2026
IFRS 18 presentation and disclosure in financial statements	1 January 2027
IFRS 19 Subsidiaries without public accountability: Disclosures	1 January 2027

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY  
AND ITS SUBSIDIARIES**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

**For the three-month and nine-month periods ended 30 September 2025**

(Saudi Arabian Riyals)

**5. EQUITY ACCOUNTED INVESTEEES**

Investee name	Nature	Activity location	Principal activities	Percentage of ownership	
				30 September 2025	31 December 2024
Innovative Water Transport Development Company ("IWTD")	Joint venture	Saudi Arabia	Operations and Maintenance	50%	50%
Erwaa Water Company ("EWC")	Associate	Saudi Arabia	Operations and Maintenance	49%	49%

Investee name	Notes	Carrying value		
		30 September 2025	31 December 2024	30 September 2024
Innovative Water Transport Development (IWTD)	5.1	-	7,411,097	-
Erwaa Water Company ("EWC")	5.2	-	-	-
Total		-	7,411,097	-

Movement in the equity accounted investees during the year was as follows:

30 September 2025 (Unaudited)	EWC	IWTD	Total	31 December 2024 Total (Audited)
At the beginning of the year:				
- Investment in equity accounted investee	-	7,411,097	7,411,097	-
- Obligation for loss (note 15)	(21,091,049)	--	(21,091,049)	(7,632,952)
Additions during the year	--	--	--	50,000
Share of loss of the period/year	(9,017,059)	5,220	(9,011,839)	(13,436,581)
Share of OCI of the period/year	--	(23,495,519)	(23,495,519)	7,339,581
Loan transfer to long term interest in associate (note 5.2)	26,243,108	-	26,243,108	17,322,839
At the end of the period				
- Obligation for loss (note 15)	(3,865,000)	(16,079,202)	(19,944,202)	(3,768,210)
- Investment in equity accounted investee	-	-	-	7,411,097

30 September 2024 (Unaudited)	EWC	IWTD	Total
At the beginning of the year:			
- Investment in equity accounted investee	-	-	-
- Obligation for loss (note 15)	(7,632,952)	-	(7,632,952)
Additions during the year	-	50,000	50,000
Share of loss of the period/year	(5,686,496)	(479,980)	(6,166,476)
At the end of the period			
- Obligation for loss (note 15)	(13,319,448)	(429,980)	(13,749,428)
- Investment in equity accounted investee	-	-	-

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**5. EQUITY ACCOUNTED INVESTEES (CONTINUED)**

**5.1 Innovative Water Transport Development (IWTD)**

The Group entered into an agreement with Cobra Group to establish a limited liability company named Innovative Water Transport Development Company ("IWTD"). Accordingly, IWTD was established with paid up capital of SR 100,000 (100 shares of SR 1,000 each) on 11 Rabi Al-Alkhirah 1445H (corresponding to 26 October 2023) with commercial registration number 4030529953.

IWTD is a joint venture in which the Company has 50% ownership interest. The Company and the co-venturer have appointed 2 members each to the Board of IWTD. Given that decisions regarding relevant activities are taken through unanimous approval of the Board, the Company does not have the power to unilaterally direct the relevant activities of IWTD.

IWTD is structured as a separate vehicle and the Company has a residual interest in the net assets of IWTD. Accordingly, the Company has classified its interest in IWTD as a joint venture.

IWTD is licensed to engage in water supply and water transportation and storage in accordance with the license of the Saudi Arabian General Investment Authority ("SAGIA").

The following is the summarized financial information of IWTD, based on its financial statements prepared in accordance with IFRS:

	<b>30 September 2025</b>	31 December 2024
Total current assets	<b>169,943,511</b>	288,852,845
Total non-current assets	<b>1,487,245,109</b>	594,678,771
Total current liabilities	<b>(212,159,774)</b>	(54,883,191)
Non-current liabilities	<b>(1,481,860,378)</b>	(813,826,232)
Net (liabilities) / assets	<b>(36,831,532)</b>	14,822,193
Income tax payable by Cobra Instalaciones Servicios SA ("Cobra")	<b>4,662,789</b>	-
Net assets after Cobra's share of income tax	<b>(32,168,743)</b>	14,822,193
Carrying amount of interest in associate at 50%	<b>(16,084,422)</b>	7,411,097
	<b>30 September 2025</b>	31 December 2024
Revenue	<b>889,200,404</b>	594,122,453
Depreciation and amortization	<b>(133,912)</b>	(108,122)
Interest expense	<b>(55,193,094)</b>	(38,070,472)
Tax and zakat	<b>(4,662,789)</b>	(8,608)
(Loss) / profit for the period / year	<b>(4,662,688)</b>	43,031
Other comprehensive (loss) / income for the period / year (note 5.1 a)	<b>(46,991,037)</b>	14,679,162
Total comprehensive (loss) / income for the period / year	<b>(51,653,725)</b>	14,722,193
Group share in total comprehensive income excluding tax for the period / year at 50% (note 5.1 b)	<b>(23,495,468)</b>	7,361,097

- a) As at 30 September 2025, IWTD held Interest Rate Swaps ("IRS") in order to hedge its exposure to special commission rate risks related to term financing. Changes in the fair value of the Interest Rate Swaps have been recognized in other comprehensive income. The cash flow hedge reserve represents the effective portion of cash flow hedges.
- b) In accordance with the income tax regulations set forth by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia, the income tax expense is fully borne by the other foreign shareholder, Cobra. As a result, the Company's share of the joint venture's profit / loss for the period excludes its portion of the tax expense. Below is a reconciliation of the joint venture's profit / loss for the period to share of profit / loss recognized in the statement of profit or loss.

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**5. EQUITY ACCOUNTED INVESTEEES (CONTINUED)**

	<b>30 September 2025</b>	31 December 2024
Loss / profit for the period / year	<b>(4,662,688)</b>	43,031
Add: Income tax allocated to Cobra	<b>4,662,789</b>	--
	<b>101</b>	43,031
Group share in profit for the period / year at 50%	<b>51</b>	21,516
Group share in other comprehensive income for the period / year at 50%	<b>(23,495,519)</b>	7,339,581
Group share in total comprehensive income for the period / year at 50%	<b>(23,495,468)</b>	7,361,097

**5.2 Erwaa Water Company ("EWC")**

The Group entered into an agreement with Veolia Middle East Group to establish a limited liability company named Erwaa Water Company ("EWC"). Accordingly, EWC was established with a capital of SR 500,000 (500 shares of SR 1,000 each) on 3 Jumada Al-Alkhirah 1443H (corresponding to 6 January 2022).

The Group has paid SR 245,000 representing 49% of share capital to EWC. The Group has determined that it has significant influence because it has meaningful (but not majority) representation on the Board of Directors of the associate. The investment is accounted for using the equity method in these financial statements. EWC had no contingent liabilities or capital commitments as at 30 September 2025.

The following is the summarized financial information of EWC, based on its financial statements prepared in accordance with IFRS:

	<b>30 September 2025</b>	31 December 2024
Total current assets	<b>38,374,686</b>	28,498,317
Total non-current assets	<b>3,038,146</b>	3,658,214
Total current liabilities	<b>(33,795,965)</b>	(23,393,110)
Non-current liabilities	<b>(69,061,986)</b>	(51,806,379)
Net liabilities	<b>(61,445,119)</b>	(43,042,958)
Carrying amount of interest in associate at 49%	<b>(30,108,108)</b>	(21,091,049)
	<b>30 September 2025</b>	31 December 2024
Revenue	<b>27,518,584</b>	40,176,475
Depreciation and amortization	<b>(620,068)</b>	814,277
Interest expense	<b>(9,736,470)</b>	(2,134,330)
Tax and zakat	-	491,749
Loss for the year	<b>(18,402,182)</b>	(27,465,504)
Group share in loss for the period / year at 49%	<b>(9,017,059)</b>	(13,458,097)

The cumulative share of loss amounting to SR 30.11 million has exceeded the carrying value of investment as at 30 September 2025. The Group has recognized additional losses as an obligation and has presented them under the liabilities since the Group has a legal and constructive obligation to record additional losses in proportion of its ownership percentage in accordance with the terms of the agreement. This obligation amount has been adjusted against the loan given to the associated company and considered as long-term interest in associate. EWC is expected to generate profits over the life of the project.

During the year ended 31 December 2022, shareholders of EWC agreed to provide funding to EWC to support its working capital requirements in proportion to their ownership percentage. Accordingly, an agreement between the Company and EWC was signed, under which the Company agreed to provide a maximum loan amount of SR 28.18 million. The loan carries rate of 3-month SIBOR plus profit margin and has a maturity date of 4 May 2028 when the principal portion of the loan is due in full. During the period ended 30 September 2025, the Company has provided additional funding of SR 8.61 million (31 December 2024: SR 7.45 million) proportionate to its share in the EWC. The full amount of the loan has been provided to EWC as at 30 September 2025.

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**5. EQUITY ACCOUNTED INVESTEES (CONTINUED)**

**5.2 Erwaa Water Company (“EWC”) (continued)**

Movement in loan to associate:

	<b>30 September 2025</b>	31 December 2024	30 September 2024
Opening balance	<b>17,322,839</b>	9,847,195	9,847,195
Addition during the period / year	<b>8,611,750</b>	7,448,000	4,361,000
Interest income	<b>1,118,358</b>	1,054,838	750,927
Repayments	<b>(809,839)</b>	(1,027,194)	(332,433)
Transfer to long-term interest in associate*	<b>(26,243,108)</b>	(17,322,839)	-
Closing balance	<b>-</b>	-	14,626,689

\*During the period ended 30 September 2025 and the year ended 31 December 2024, the Group has transferred the loan to associate by considering this as long-term interest in associate.

**6. CONCESSION CONTRACT RECEIVABLES**

	<b>30 September 2025</b>	31 December 2024
Financial asset arising from service concession arrangement	<b>788,960,302</b>	367,262,617
<i>Classified as:</i>		
-Non-current	<b>695,198,660</b>	254,588,114
-Current	<b>93,761,642</b>	112,674,503
	<b>788,960,302</b>	367,262,617

The movement in financial asset arising from service concession arrangement is as follows:

	<b>30 September 2025</b>	31 December 2024
Opening balance	<b>367,262,617</b>	-
Additions for the period / year	<b>521,358,495</b>	358,344,036
Finance income for the period / year	<b>23,728,515</b>	8,918,581
Amount billed for the period / year	<b>(123,389,325)</b>	-
<b>Closing balance</b>	<b>788,960,302</b>	367,262,617

During the year ended 31 December 2024, the Group has entered into 3 long-term operation and maintenance agreements (“LTOM Agreement”) with a government related entity for a period of 15 years. The scope of the LTOM agreement is rehabilitation and remediation work of sewage treatment plants while simultaneously providing operation and maintenance services. All the relevant output of the plants will be purchased and off taken by the government related entity. At the end of the LTOM Agreement, the plants would be transferred back to government related entity. The receivables are from Government and is at stage 1. The unbilled operation and maintenance portion has been shown in note 10.

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**7. PROPERTY AND EQUIPMENT**

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	33 years	Furniture and fixtures	7 years
Heavy machinery	7 years	Motor vehicles	5 years

<i>30 September 2025</i>	<i>Land</i>	<i>Buildings</i>	<i>Heavy machinery</i>	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Total (Unaudited)</i>
<b><u>Cost:</u></b>						
At the beginning of the period	22,500,000	86,151,561	317,536,995	29,925,830	148,941,102	605,055,488
Additions	-	69,500	24,252,268	4,410,176	8,410,935	37,142,879
Disposals	-	(106,000)	(1,562,173)	(336,025)	(1,289,907)	(3,294,105)
<b>At the end of the period</b>	<b>22,500,000</b>	<b>86,115,061</b>	<b>340,227,090</b>	<b>33,999,981</b>	<b>156,062,130</b>	<b>638,904,262</b>
<b><u>Accumulated depreciation:</u></b>						
At the beginning of the period	-	2,438,226	160,846,579	12,079,053	88,987,857	264,351,715
Charge for the period	-	2,080,926	27,320,121	2,675,870	14,636,765	46,713,682
Disposals	-	(103,331)	(1,404,058)	(248,014)	(1,009,820)	(2,765,223)
<b>At the end of the period</b>	<b>-</b>	<b>4,415,821</b>	<b>186,762,642</b>	<b>14,506,909</b>	<b>102,614,802</b>	<b>308,300,174</b>
<b><u>Carrying value:</u></b>						
<b>30 September 2025 (Unaudited)</b>	<b>22,500,000</b>	<b>81,699,240</b>	<b>153,464,448</b>	<b>19,493,072</b>	<b>53,447,328</b>	<b>330,604,088</b>
31 December 2024 (Audited)	22,500,000	83,713,335	156,690,416	17,846,777	59,953,245	340,703,773



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**7. PROPERTY AND EQUIPMENT (CONTINUED)**

<i>30 September 2024</i>	<i>Buildings</i>	<i>Heavy machinery</i>	<i>Furniture and fixtures</i>	<i>Motor vehicles</i>	<i>Capital work in progress</i>	<i>Total</i>
						(Unaudited)
<u>Cost:</u>						
At the beginning of the period	4,015,717	293,180,003	21,356,759	130,140,808	90,714,500	539,407,787
Additions	61,850	22,565,117	4,143,000	13,849,505	12,276,718	52,896,190
Disposals	-	(387,987)	(46,650)	(576,080)	-	(1,010,717)
At the end of the period	<u>4,077,567</u>	<u>315,357,133</u>	<u>25,453,109</u>	<u>143,414,233</u>	<u>102,991,218</u>	<u>591,293,260</u>
<u>Accumulated depreciation:</u>						
At the beginning of the period	2,089,238	140,755,839	11,916,380	76,798,769	-	231,560,226
Charge for the period	219,491	24,430,481	1,630,501	13,758,344	-	40,038,817
Disposals	-	(151,014)	(22,629)	(391,407)	-	(565,050)
At the end of the period	<u>2,308,729</u>	<u>165,035,306</u>	<u>13,524,252</u>	<u>90,165,706</u>	<u>-</u>	<u>271,033,993</u>
<u>Carrying value:</u>						
<i>30 September 2024</i>	<u>1,768,838</u>	<u>150,321,827</u>	<u>11,928,857</u>	<u>53,248,527</u>	<u>102,991,218</u>	<u>320,259,267</u>

Depreciation charge for the period was allocated as follows:

	<b>30 September 2025 (Unaudited)</b>	30 September 2024 (Unaudited)
Cost of revenues	<b>43,321,592</b>	39,771,492
General and administrative expenses	<b>3,392,090</b>	267,325
	<u><b>46,713,682</b></u>	<u>40,038,817</u>

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**8. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>30 September 2025 (Unaudited)</b>	31 December 2024 (Audited)
Advances to suppliers	170,521,030	127,364,447
Prepaid expenses	49,554,494	34,519,933
Employees' advances and receivables	1,952,744	3,750,478
VAT receivables	6,397,952	11,013,570
Others	2,036,082	2,214,945
	<b>230,462,302</b>	<b>178,863,373</b>

**9. CONTRACT ASSETS**

	<b>30 September 2025 (Unaudited)</b>	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Opening balance	663,614,397	617,334,233	611,125,936
Value of work performed during the period / year	1,890,578,884	1,952,145,192	1,342,467,565
Progress billings made during the period / year	<b>(1,966,611,818)</b>	<b>(1,905,865,027)</b>	<b>(1,228,286,518)</b>
	587,581,463	663,614,398	725,306,983
Advances received from customers	<b>(40,383,469)</b>	<b>(75,773,632)</b>	-
	547,197,994	587,840,766	725,306,983
Less: provision for expected credit losses	<b>(13,485,792)</b>	<b>(23,846,451)</b>	<b>(12,144,689)</b>
<b>Closing balance</b>	<b>533,712,202</b>	<b>563,994,315</b>	<b>713,162,294</b>

9.1. Contract assets relate to the Group's right to receive consideration for work completed but not billed at the reporting date. Due to the nature of the Group activities and the nature of its majority of customers (government-related entities), certain milestones need to be completed before billings are approved to issued.

9.2. Movement of provisions for expected credit losses on contract assets:

	<b>30 September 2025 (Unaudited)</b>	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Opening balance	23,846,451	6,208,297	6,208,297
(Reversal) / charge for the period / year	<b>(10,360,659)</b>	17,638,154	5,936,392
<b>Closing balance</b>	<b>13,485,792</b>	<b>23,846,451</b>	<b>12,144,689</b>

	<b>30 September 2025</b>			<b>31 December 2024</b>		
	<b>Gross carrying amount</b>	<b>Expected credit loss</b>	<b>Expected credit loss rate</b>	<b>Gross carrying amount</b>	<b>Expected credit loss</b>	<b>Expected credit loss rate</b>
0-90 days	302,993,494	1,106,315	0.37%	322,841,130	1,227,401	0.38%
91-180 days	76,903,979	630,584	0.82%	85,695,238	922,364	1.08%
181-270 days	40,765,340	533,747	1.31%	91,352,436	805,738	0.88%
271-360 days	23,907,223	493,730	2.07%	33,650,289	992,280	2.95%
361-450 days	28,372,755	1,144,290	4.03%	24,194,138	715,700	2.96%
451-540 days	23,238,774	1,429,514	6.15%	6,119,365	360,736	5.89%
541-630 days	22,936,028	2,300,509	10.03%	1,866,799	456,491	24.45%
631-720 days	10,997,752	1,289,057	11.72%	3,955,632	200,002	5.06%
More than 720 days	17,082,649	4,558,046	26.68%	18,165,738	18,165,739	100%
<b>Total</b>	<b>547,197,994</b>	<b>13,485,792</b>		<b>587,840,765</b>	<b>23,846,451</b>	

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**10. TRADE AND OTHER RECEIVABLES**

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>	<b>30 September 2024 (Unaudited)</b>
Trade receivables	611,591,915	431,522,572	306,189,057
Retention receivables	23,056,237	21,160,680	19,208,680
Operation and maintenance-unbilled	5,797,830	22,799,573	-
	<b>640,445,982</b>	<b>475,482,825</b>	<b>325,397,737</b>
Less: provision for expected credit losses	<b>(24,822,441)</b>	<b>(13,021,674)</b>	<b>(13,021,674)</b>
	<b>615,623,541</b>	<b>462,461,151</b>	<b>312,376,063</b>

Movement of provisions for expected credit losses on trade receivables and retentions:

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>	<b>30 September 2024 (Unaudited)</b>
Opening balance	13,021,674	8,387,158	8,387,158
Charge for the period / year	11,800,767	4,634,516	4,634,516
<b>Closing balance</b>	<b>24,822,441</b>	<b>13,021,674</b>	<b>13,021,674</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Trade receivables include amounts totaling SR 609 million which is due from Government and quasi-Government institutions (31 December 2024: SR 451 million).

Trade receivables include an amount of SR 34,307,318 (31 December 2024: SR 17,840,265) which is due from related parties (note 17).

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed. The Group does not hold collateral as security.

	<b>30 September 2025</b>			<b>31 December 2024</b>		
	<b>Gross carrying amount</b>	<b>Expected credit loss</b>	<b>Expected credit loss rate</b>	<b>Gross carrying amount</b>	<b>Expected credit loss</b>	<b>Expected credit loss rate</b>
Not due	326,326,277	1,521,074	0.47%	247,316,989	183,603	0.07%
0-90 days	48,360,130	1,246,890	2.58%	33,473,766	230,815	0.69%
91-180 days	21,488,322	844,108	3.93%	17,491,553	450,770	2.58%
181-270 days	44,151,703	2,032,069	4.60%	34,571,328	733,234	2.12%
271-360 days	23,427,906	1,354,953	5.78%	29,483,899	1,873,450	6.35%
More than 360 days	170,893,815	17,823,347	10.43%	90,345,717	9,549,802	10.57%
<b>Total</b>	<b>634,648,153</b>	<b>24,822,441</b>		<b>452,683,252</b>	<b>13,021,674</b>	

**11. CASH AND CASH EQUIVALENTS**

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>	<b>30 September 2024 (Unaudited)</b>
Bank balances	382,800,125	322,241,033	250,739,708
Cash in hand	8,105,657	52,548	15,187,866
	<b>390,905,782</b>	<b>322,293,581</b>	<b>265,927,574</b>

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**12. SHARE CAPITAL**

Share capital as at 30 September 2025 and 31 December 2024 was as follows:

	Number of shares	Capital	Shareholding
Alkhorayef Group Company	16,275,000	162,750,000	46.5%
Individual and other minority shareholders	18,725,000	187,250,000	53.5%
	<b>35,000,000</b>	<b>350,000,000</b>	<b>100%</b>

The authorized and paid-up share capital of the Company as at 30 September 2025 and 31 December 2024 was SR 350 million divided into 35 million shares of SR 10 each.

**13. TERM LOANS**

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Long-term loans	659,984,258	324,297,476	246,739,863
Short term loans	322,815,143	374,834,158	360,258,038
Total loans	982,799,401	699,131,634	606,997,901
Less: transaction cost subject to amortization	(5,324,710)	-	-
<b>Amortized cost of term loans</b>	<b>977,474,691</b>	699,131,634	606,997,901
Less non-current portion of long-term loan	(594,597,048)	(166,836,326)	(70,437,500)
<b>Current loans</b>	<b>382,877,643</b>	532,295,308	536,560,401

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
<i>Below is the movement of the loans and borrowings:</i>			
Opening balance	699,131,634	542,552,373	542,552,373
Upfront fees paid during the period / year	(6,044,265)	-	-
Loans obtained during the period / year	704,631,551	879,243,210	568,625,374
Amortisation of upfront fees during the period / year	719,555	-	-
Payments made during the period / year	(420,963,784)	(722,663,949)	(504,179,846)
<b>Closing balance</b>	<b>977,474,691</b>	699,131,634	606,997,901

The Group has obtained Sharia Compliant Murabaha loan facilities from commercial banks with maturity dates ranging from 2025 to 2032. These loans carry varying Murabaha profit rates in conformity with the applicable loan agreements. These facilities bear profit margin at market rates, which are generally based on Saudi Inter Bank Offer Rate ("SIBOR") and are secured by assignment acknowledgement of contract proceeds.

Finance cost on term loans and related payments for the year are disclosed in the statement of cash flows.

As at 30 September 2025, the Group has borrowings of amount SR 382,877,643 classified as non – current liabilities, which are subject to covenants set by lenders. These covenants include:

- Liquidity rate should not be less than 1:1,
- Financial leverage ratio should not exceed 3:1

The assessment of compliance with these covenants is performed at the end of each reporting period as per the loan agreements. As of 30 September 2025, the Group is in compliance with all the applicable covenants, and therefore, these borrowings are classified as non – current liabilities.

At 30 September 2025, undrawn committed borrowing facilities amounted to SR 3,042 million (31 December 2024: SR 2,791 million).

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**14. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES**

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Project accruals*	589,452,452	436,578,932
Trade payables	226,409,173	193,695,639
Employee accruals	57,604,647	55,692,378
Accrued interest	14,963,156	5,983,462
Value Added Tax (VAT) payable	8,299,974	-
Accrued BOD remuneration	2,247,777	3,261,999
Due to related parties (note 17)	1,916,178	468,183
Other	5,086,574	2,926,185
	<b>905,979,931</b>	<b>698,606,778</b>

\* Project accruals represent subcontractor and other cost incurred and accrued for projects in progress and which has not been invoiced to the Group yet.

**15. PROVISIONS**

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Provision for penalties	58,003,373	27,484,473
Obligation for loss from an equity accounted investees (note 5)	19,944,202	3,768,210
Provision for onerous contracts	7,703,135	3,000,000
	<b>85,650,710</b>	<b>34,252,683</b>

15.1. Provision for onerous contracts is made for contracts under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The movement in the provision for onerous contract is summarized below:

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>	<b>30 September 2024 (Unaudited)</b>
Opening balance	3,000,000	3,473,092	3,473,092
Additional provision	6,507,697	-	-
Provision reversed	(1,804,562)	(473,092)	-
<b>Closing balance</b>	<b>7,703,135</b>	<b>3,000,000</b>	<b>3,473,092</b>

15.2. The movement in the provision for penalties is summarized below:

	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>	<b>30 September 2024 (Unaudited)</b>
Opening balance	27,484,473	12,404,473	12,404,473
Additional provision	36,524,900	17,337,000	13,337,000
Provision reversed / paid	(6,006,000)	(2,257,000)	(540,000)
<b>Closing balance</b>	<b>58,003,373</b>	<b>27,484,473</b>	<b>25,201,473</b>

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**16. EARNINGS PER SHARE**

Basic earnings per share attributable to the shareholders is calculated based on the weighted average number of outstanding shares during the period. Diluted earnings per share is calculated by adjusting basic earnings per share for the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential shares.

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period (SR)	<b>69,585,392</b>	40,187,089	<b>189,394,985</b>	160,135,683
Weighted average number of shares	<b>35,000,000</b>	35,000,000	<b>35,000,000</b>	35,000,000
Basic and diluted earnings per share	<b>1.99</b>	1.15	<b>5.41</b>	4.58

There has been no item of dilution affecting the weighted average number of shares.

**17. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties of the Group include shareholders, Board of Directors, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties.

The terms of the transactions with related parties are approved by the Group's management. The significant transactions with related parties during the period are within the Group's normal course of business and are summarized below:

<b><u>Related parties</u></b>	<b><u>Relationship</u></b>	<b><u>Nature of transactions</u></b>	<b>Amount of transactions for the nine-month period ended</b>	
			<b>30 September <u>2025</u> (Unaudited)</b>	<b>30 September <u>2024</u> (Unaudited)</b>
Alkhorayef Group company	Parent Company	Shared service cost	<b>1,361,145</b>	1,361,145
		Land rental	-	248,400
Abdullah Ibrahim	Ultimate Parent Company	Land rental	<b>251,400</b>	259,493
Alkhorayef Sons Company				
Alkhorayef Commercial Company	A subsidiary to the Parent	Purchases	<b>1,366,890</b>	4,027,246
		Sales	<b>3,519</b>	48,547
Alkhorayef Printing Solutions Company	A subsidiary to the Parent	Purchases	<b>886,855</b>	120,253
Alkhorayef Lubricants Company	A subsidiary to the Parent	Purchases	<b>356,862</b>	657,536
Saudi Part Center ("SPC")	A subsidiary to the Parent	Purchases	<b>251,275</b>	-
Alkhorayef Petroleum Company		Sales	<b>6,900</b>	381,225
Alkhorayef Industries Company		Sales	<b>5,003</b>	8,165
Erwaa Water Company ("EWC")	An associate to the Company	Loan during the period	<b>8,611,750</b>	4,361,000
		Revenue	<b>28,482,262</b>	7,102,689
		Finance income	<b>1,118,358</b>	750,927
Innovative Water Transport Development Company ("IWTD")	A joint venture of the Company	Revenue	<b>424,319,554</b>	53,375,024



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**17. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)**

**Key management compensation**

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management is shown below:

<u>Related parties</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
		<b>30 September 2025 (Unaudited)</b>	<b>30 September 2024 (Unaudited)</b>
Key management personnel (Note 17.2)	Short-term benefits	<b>15,462,189</b>	12,468,667
	Post-employment benefits	<b>474,318</b>	490,627
Board of directors	Remuneration and sitting fees	<b>2,247,777</b>	1,611,000

17.1 Sales to and purchases from related parties are made on agreed terms. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables balance.

17.2 Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The amounts disclosed are the amounts recognized as an expense during the reporting period related to key management personnel.

17.3 The breakdown of amounts due from related parties is as follows:

	<u>Note</u>	<b>30 September 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Erwa Water Company		-	17,631,265
Innovative Water Transport Development Company		<b>34,307,318</b>	209,000
Total	10	<b>34,307,318</b>	17,840,265

The breakdown of amounts due to related parties is as follows:

	<u>Note</u>	<b>2025</b>	<b>2024</b>
Alkhorayef Group Company		<b>1,090,189</b>	-
Al Khorayef Oil Lubricants Company		<b>491,416</b>	-
Alkhorayef Commercial Company		<b>256,145</b>	266,962
Abdullah Ibrahim Alkhorayef Sons Company		<b>45,593</b>	-
Alkhorayef Printing Solution		<b>17,572</b>	82,875
Alkhorayef Lubricants Company		-	68,966
Saudi Parts Center Company		<b>15,263</b>	15,570
Alkhorayef Petroleum Company		-	33,810
Total	14	<b>1,916,178</b>	468,183

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**18. REVENUES**

**18.1 Disaggregated revenue information**

Set out below is the disaggregation of the Group's revenue:

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Types of services</b>				
Water (note "a")	<b>290,196,870</b>	224,556,540	<b>938,520,399</b>	834,011,763
Wastewater (note "b")	<b>234,664,776</b>	154,807,298	<b>712,599,342</b>	295,994,518
Integrated Water Solutions (note "c")	<b>76,786,875</b>	71,419,216	<b>227,555,591</b>	212,461,283
	<b>601,648,521</b>	450,783,054	<b>1,878,675,332</b>	1,342,467,564

**a) Water**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Water Networks	<b>229,422,165</b>	174,302,683	<b>764,092,819</b>	686,301,441
Water Withdraw and Treatment	<b>60,774,705</b>	50,253,857	<b>174,427,580</b>	147,710,322
	<b>290,196,870</b>	224,556,540	<b>938,520,399</b>	834,011,763

**b) Wastewater**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Wastewater Networks	<b>23,420,126</b>	22,148,392	<b>65,248,562</b>	84,059,016
Wastewater Treatment	<b>211,244,650</b>	132,658,906	<b>647,350,780</b>	211,935,502
	<b>234,664,776</b>	154,807,298	<b>712,599,342</b>	295,994,518

**c) Integrated Water Solutions**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Water Management Services	<b>30,508,776</b>	26,972,317	<b>84,666,636</b>	81,083,878
City Management	<b>28,662,370</b>	25,288,552	<b>88,884,334</b>	80,322,542
Stormwater Networks	<b>17,615,729</b>	19,158,347	<b>54,004,621</b>	51,054,863
	<b>76,786,875</b>	71,419,216	<b>227,555,591</b>	212,461,283

**Geographical markets**

The Group operates exclusively in the Kingdom of Saudi Arabia and therefore no additional geographical market information is presented in these condensed consolidated interim financial statements. Revenue from contracts is recognised over time in line with the revenue recognition policy. More than 98% of revenue is from contracts with Government entities.

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**19. COST OF REVENUES**

	<b>For the three-month period ended 30 September</b>		<b>For the nine-month period ended 30 September</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Materials consumed	<b>242,061,845</b>	146,781,083	<b>883,538,426</b>	498,679,967
Employees' salaries and other benefits	<b>124,670,451</b>	128,032,281	<b>375,646,274</b>	366,762,698
Repair and maintenance	<b>39,623,422</b>	16,189,384	<b>91,937,339</b>	40,203,912
Depreciation and amortisation	<b>15,026,457</b>	13,486,856	<b>44,295,809</b>	40,692,605
Utilities	<b>14,294,971</b>	11,005,005	<b>36,112,299</b>	26,705,579
Rent	<b>9,197,410</b>	7,953,893	<b>23,932,750</b>	17,417,289
Penalties	<b>4,945,615</b>	11,202,964	<b>7,707,091</b>	14,868,766
Professional fees	<b>5,905,782</b>	8,676,541	<b>12,729,725</b>	15,041,671
Insurance	<b>3,061,248</b>	2,846,992	<b>9,184,529</b>	8,013,870
Others	<b>13,031,105</b>	21,149,422	<b>44,152,363</b>	32,203,862
	<b>471,818,306</b>	367,324,421	<b>1,529,236,605</b>	1,060,590,219

**20. ZAKAT**

The movement in Zakat provision during the period is as follows:

	<b>30 September 2025</b>	<b>30 September 2024</b>	<b>31 December 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Opening balance	<b>16,527,051</b>	15,287,675	15,287,675
Charge for the period / year	<b>12,828,540</b>	16,500,782	16,531,960
Paid during the period / year	<b>(10,537,946)</b>	(15,292,584)	(15,292,584)
<b>Closing balance</b>	<b>18,817,645</b>	16,495,873	16,527,051

**Status of assessment**

Zakat returns have been submitted based on the consolidated zakat base of Abdullah Ibrahim Alkhorayef Sons Company (Ultimate Parent Company) up to the year ended 31 December 2020. Final assessments of Ultimate Parent Company have been agreed up to the year ended 31 December 2019. The Group has also pledged to the Capital Market Authority that the Ultimate Parent Company will bear any additional zakat amounts that might relate to the years till 2020 and earlier. In May 2021 the Company has separately registered with Zakat Tax and Custom Authority (the "ZATCA") and has filed Zakat returns for the years up to 31 December 2024. The Company has obtained final assessment for years up to 31 December 2024 and no additional provision is required for any of the years assessed. During the period ended 30 September 2025, the Company obtained approval from the ZATCA to file a consolidated zakat return on behalf of the Company and its subsidiaries and accordingly the return for the year ended 31 December 2024 was filed on a consolidated basis.

The Group is submitting its VAT returns consistently on a monthly basis and has received the final assessment up to the year 31 December 2023 and no additional provision is required for any of the years assessed.

**21. DIVIDENDS**

On 25 May 2025, the General Assembly of the Company approved the Board of Directors' recommendation to distribute cash dividends to shareholders in relation to the year ended 31 December 2024. The total dividend amounted to SR 52.5 million, representing SR 1.50 per share. The dividends were distributed on 19 June 2025.

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**22. OPERATING SEGMENTS**

The Chief Executive Officer (CEO), which has been identified as the Chief Operating Decision Maker (CODM), monitors the operating results of its reportable segments separately to make decisions about resource allocation and performance assessment.

The Group has three (3) operating segments: water, waste-water and integrated water solution. The Group's CODM evaluates the segments' revenue on a regular basis in deciding how to allocate resources among the segments and in assessing segment performance.

The CODM evaluates the performance of the Group's segments based on revenue. The Group uses revenue as its principal measure of segment performance as it enhances the Group's ability to compare past financial performance with current performance and analyse underlying business performance and trends.

Performance is measured by the CODM based on revenue as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the Group. As such, expenses, assets and liabilities related to segments are neither included in the internal management reports nor provided regularly to the management.

As the operations of the Group are conducted in the Kingdom of Saudi Arabia, accordingly, for management purposes, the Group is organized into business units based on its products and services and has three reportable segments.

The accounting policies of the operating segments are the same as the Group's accounting policies. All intercompany transactions within the reportable segments have been appropriately eliminated. Details of the Group's operating and reportable segments are as follows:

Water	The segment represents project and O&M services for; Deep waterwalls Water treatment plants Water distribution networks Firework networks
Waste water management	The segment represents project and O&M services for; Wastewater networks Treated sewage effluent networks
Integrated Water Solution	The segment represents project and O&M services for; Stormwater networks City management which encompasses turkey solutions Support and asset services for lead detection, fabrication, laboratories and asset services

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**22. OPERATING SEGMENTS (CONTINUED)**

The following table presents information for the Group's operating segments for the period ended 30 September 2025 and 30 September 2024, respectively.

**Based on the nature of services:**

<u>For the period ended</u> <u>30 September 2025</u>	<u>Water</u>	<u>Waste-water</u>	<u>Integrated Water Solution</u>	<u>Total</u>
Revenue	938,520,399	712,599,342	227,555,591	1,878,675,332
Cost of revenue	(853,840,834)	(451,085,226)	(224,310,545)	(1,529,236,605)
Gross profit	84,679,565	261,514,116	3,245,046	349,438,727
<b><u>Unallocated income / (expenses)</u></b>				
Other income				7,601,868
Selling and distribution expenses				(2,939,896)
General and administrative expenses				(129,797,069)
Impairment loss on trade receivables and contract assets				(1,440,108)
Gain from sale of property and equipment				486,826
Other expense				522,440
Finance income				33,099,374
Finance costs				(45,736,811)
Share of loss from an equity accounted investee				(9,011,826)
<b>Profit before zakat</b>				<b>202,223,525</b>
Zakat expense				(12,828,540)
<b>Profit for the period</b>				<b>189,394,985</b>

<u>For the period ended</u> <u>30 September 2024</u>	<u>Water</u>	<u>Waste-water</u>	<u>Integrated Water Solution</u>	<u>Total</u>
Revenue	834,011,763	295,994,518	212,461,283	1,342,467,564
Cost of revenue	(634,776,604)	(217,124,843)	(208,688,772)	(1,060,590,219)
Gross profit	199,235,159	78,869,675	3,772,511	281,877,345
<b><u>Unallocated income / (expenses)</u></b>				
Other income				6,906,395
Selling and distribution expenses				(4,684,851)
General and administrative expenses				(53,854,423)
Impairment loss on trade receivables and contract assets				(10,570,908)
Gain from sale of property and equipment				150,845
Other expense				(211,820)
Finance income				652,980
Finance costs				(34,934,753)
Share of loss from an equity accounted investee				(8,694,345)
<b>Profit before zakat</b>				<b>176,636,465</b>
Zakat expense				(16,500,782)
<b>Profit for the period</b>				<b>160,135,683</b>

**Geographical segments:**

All of the Group's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

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**23. CONTINGENCIES**

**23.1** The Group has provided a financial guarantee in Favor of Innovative Water Transport Development Company, a Joint Venture Company, for an amount of SR 296,479,223. The group has accounted for the Expected Credit Loss on the above financial guarantee as per IFRS 9.

**23.2** As at 30 September 2025, the Group has received several notices from a government authority in respect of alleged penalties amounting to SR 53.1 million. These matters are currently subject to ongoing legal proceedings. The ultimate outcome of these proceedings remains uncertain at this stage. However, based on management's assessment, it is believed that the matters will be resolved in the Group's favour. Accordingly, no provision has been recognised in these consolidated financial statements as at the reporting date

There were no other significant contingencies and commitments as at 30 September 2025 and 2024.

**24. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability. The principal or the most advantageous market must be accessible to the Group.

The Group's financial assets consist of cash and bank balances, trade and other receivables, contract assets, concession contract receivables and other current assets, and its financial liabilities consist of term loans, trade and other payables and lease liabilities.

The fair values of the financial instruments of the Group are not materially different from their carrying values at the reporting date.

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>Financial assets</b>		
<b>Amortized cost</b>		
Cash and cash equivalents	<b>390,905,782</b>	322,293,581
Trade receivables	<b>611,591,915</b>	431,522,572
Contract assets	<b>547,197,994</b>	587,840,766
Concession contract receivables	<b>788,960,302</b>	367,262,617
Other financial assets	<b>23,056,237</b>	21,160,680
	<b><u>2,361,712,230</u></b>	<b><u>1,730,080,216</u></b>
<b>Financial liabilities</b>		
<b>Amortized cost</b>		
Trade and other payables	<b>905,979,931</b>	698,606,778
Term loans	<b>982,799,401</b>	699,131,634
Lease liabilities	<b>784,439</b>	1,595,897
	<b><u>1,889,563,771</u></b>	<b><u>1,399,334,309</u></b>

**25. EVENTS AFTER THE REPORTING PERIOD**

No events have occurred subsequent to the reporting date and before the issuance of these condensed consolidated interim financial statements which require adjustment or disclosure in these condensed consolidated interim financial statements.

**26. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The condensed consolidated interim financial statements have been approved by the Board of Directors on 15 Jamada Al Ula 1447H (corresponding to 6 November 2025).