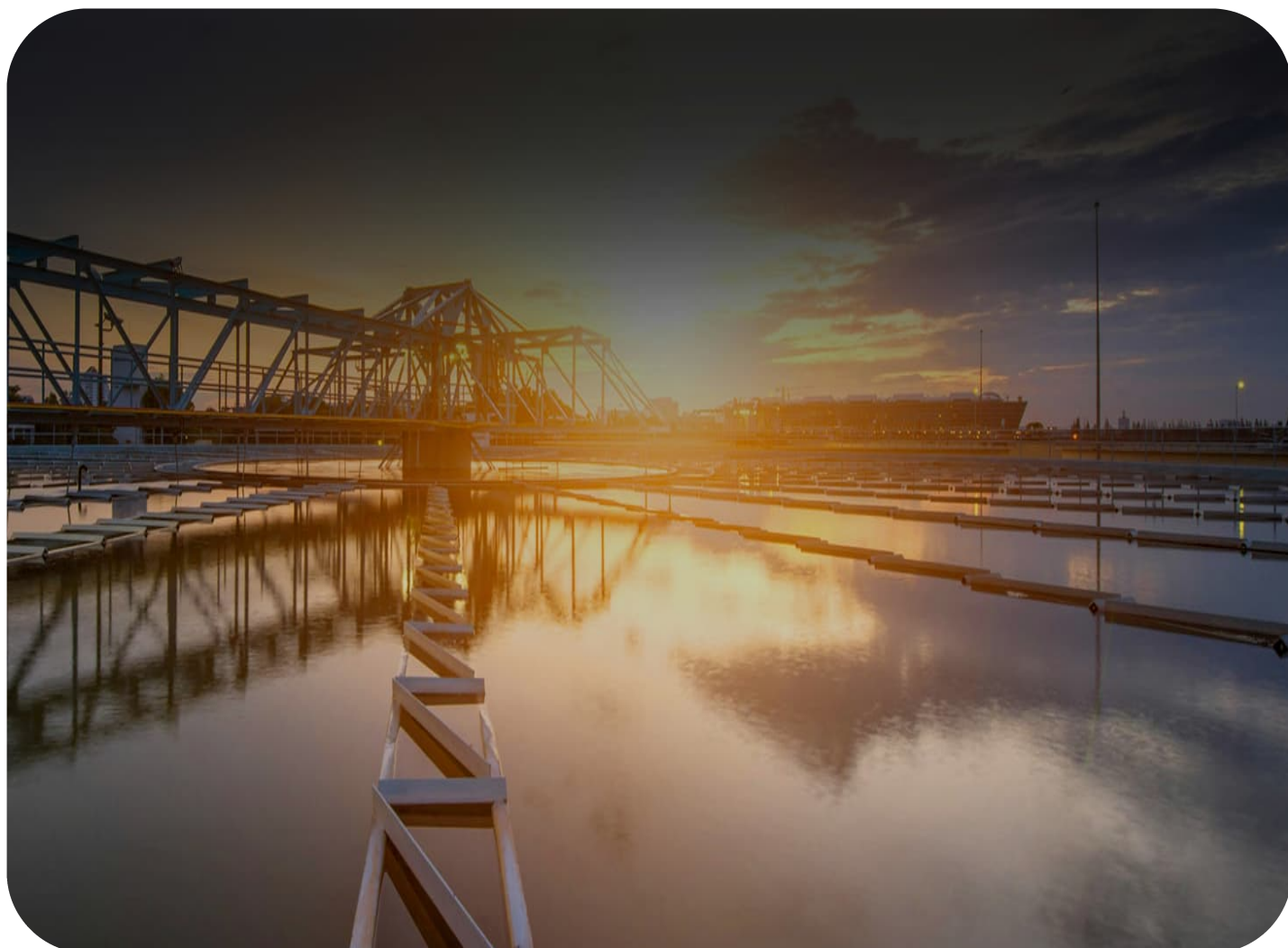




MIAHONA COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
For the three-month and nine-month periods ended 30 September 2025
together with the
Independent Auditor's Review Report



MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF MIAHONA COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Miahona Company (the "Company") and its subsidiaries (the "Group") at 30 September 2025, and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025 and the related condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 24 Ramadhan 1446H (corresponding to 24 March 2025). Further, the condensed consolidated interim financial statements of the Group for the three-month and nine-month periods ended 30 September 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those condensed consolidated interim financial statements on 3 Jumada Al-Ula 1446H (corresponding to 5 November 2024).

for Ernst & Young Professional Services

Fahad M. Altoaimi
Certified Public Accountant
License No. (354)



Riyadh: 5 Jumada Al-Ula 1447H
(27 October 2025)

MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**As at 30 September 2025***(Amounts in Saudi Riyals)*

		30 September 2025	31 December 2024
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		10,263,226	6,938,217
Intangible assets		196,606	262,739
Intangible assets arising from service concession arrangements	4	330,272,172	348,618,099
Right-of-use assets	11	62,030,909	9,557,886
Investments in equity accounted investees	5	22,911,155	19,087,059
Fair value of derivative financial instruments		295,015	9,388,092
Concession contract receivables	6	629,214,670	361,364,174
Prepayments and advances		43,839,068	35,337,103
Total non-current assets		1,099,022,821	790,553,369
CURRENT ASSETS			
Inventories		7,140,362	6,431,673
Prepayments and advances		44,128,364	25,868,741
Contract assets	8	11,015,906	6,848,989
Due from related parties	17	1,013,185	7,848,477
Concession contract receivables	6	34,586,026	34,586,026
Trade and other receivables	7	89,117,008	53,943,586
Short-term deposits		67,500,000	80,000,000
Cash and cash equivalents	9	260,967,255	144,203,173
Total current assets		515,468,106	359,730,665
TOTAL ASSETS		1,614,490,927	1,150,284,034
EQUITY			
Share capital	22	160,925,543	160,925,543
Other reserve		250,000	250,000
Cash flow hedge reserves		(23,596,557)	6,613,865
Retained earnings		331,934,596	274,685,074
Sub-total		469,513,582	442,474,482
Non-controlling interest		1,656,789	3,445,550
Total equity		471,170,371	445,920,032
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	10	643,149,775	361,326,965
Lease liabilities	11	52,847,093	7,973,935
Fair value of derivative financial instruments		4,831,831	-
Defined employees' benefits obligations		26,906,638	25,417,472
Other liabilities		29,993,057	30,549,672
Deferred revenue and contract liabilities	12	13,318,419	13,791,948
Provision against losses in an equity accounted investee	5	20,224,728	-
Share-based payments		-	687,553
Total non-current liabilities		791,271,541	439,747,545
CURRENT LIABILITIES			
Trade and other payables	13	286,568,622	111,954,977
Lease liabilities	11	8,333,863	1,808,349
Loans and borrowings	10	44,412,082	140,080,875
Other liabilities		1,910,584	3,294,849
Share-based payments		686,743	1,375,107
Deferred revenue and contract liabilities	12	4,581,438	-
Zakat provision		5,555,683	6,102,300
Total current liabilities		352,049,015	264,616,457
Total liabilities		1,143,320,556	704,364,002
TOTAL EQUITY AND LIABILITIES		1,614,490,927	1,150,284,034

The accompanying notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Signed by:

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Chairman
 Khalid Abunayyan

Signed by:

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Chief Executive Officer
 Awaadh Al Otaibi

Signed by:

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Chief Financial Officer
 Rehan Masood

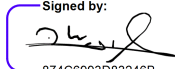
MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**For the three-month and nine-month periods ended 30 September 2025***(Amounts in Saudi Riyals)*

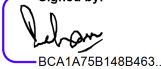
		For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<i>Notes</i>	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	14	175,136,587	88,501,460	536,869,598	248,079,325
Cost of revenue	15	(158,234,338)	(67,885,867)	(437,510,052)	(183,615,346)
Gross profit		16,902,249	20,615,593	99,359,546	64,463,979
Other income	21	-	6,013,016	12,709,052	7,631,423
General and administration expenses	16	(8,849,297)	(6,856,691)	(27,212,455)	(18,823,103)
Allowance for expected credit losses ("ECL") on trade receivables	7	-	(9,783)	(950,000)	(1,365,984)
Operating profit		8,052,952	19,762,135	83,906,143	51,906,315
Finance costs		(12,436,891)	(13,027,797)	(36,263,549)	(30,796,664)
Finance income on concession contract receivables		7,437,701	7,079,286	21,799,527	16,600,870
Finance income on short-term deposits		2,585,464	2,265,708	7,774,228	5,354,542
Share of profit from equity accounted investees	5	1,490,776	1,537,737	3,680,895	4,722,888
Profit before Zakat		7,130,002	17,617,069	80,897,244	47,787,951
Zakat expense		(2,037,410)	(892,406)	(5,592,916)	(2,980,545)
Profit for the period		5,092,592	16,724,663	75,304,328	44,807,406
Profit for the period after Zakat attributable to:					
Equity holders of the Group		4,562,836	16,536,530	73,342,076	44,137,077
Non-controlling interest		529,756	188,133	1,962,252	670,329
		5,092,592	16,724,663	75,304,328	44,807,406
Earnings per share					
Basic earnings per share	20	0.03	0.10	0.47	0.28
Diluted earnings per share	20	0.03	0.10	0.47	0.28

The accompanying notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Signed by:

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Chairman
Khalid Abunayyan

Signed by:

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Chief Executive Officer
Awaadh Al Otaibi

Signed by:

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Chief Financial Officer
Rehan Masood

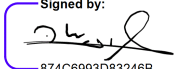
MIAHONA COMPANY

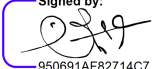
(A Saudi Joint Stock Company)

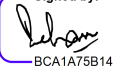
CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**For the three-month and nine-month periods ended 30 September 2025***(Amounts in Saudi Riyals)*

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period after Zakat	5,092,592	16,724,663	75,304,328	44,807,406
Item that may be reclassified subsequently to profit or loss				
Cash flow hedges – effective portion of changes in fair value	(1,747,089)	(22,950,460)	(13,924,908)	(18,707,331)
Equity accounted investees – share of OCI	(3,957,280)	-	(20,081,527)	-
Total other comprehensive (loss) income	(5,704,369)	(22,950,460)	(34,006,435)	(18,707,331)
Total comprehensive (loss) income for the period	(611,777)	(6,225,797)	41,297,893	26,100,075
Other comprehensive (loss) income for the period attributable to:				
Equity holders of the Group	(5,114,620)	(16,106,178)	(30,210,422)	(13,675,607)
Non-controlling interest	(589,749)	(6,844,282)	(3,796,013)	(5,031,724)
	(5,704,369)	(22,950,460)	(34,006,435)	(18,707,331)
Total comprehensive (loss) income for the period attributable to:				
Equity holders of the Group	(551,784)	430,352	43,131,654	30,461,470
Non-controlling interest	(59,993)	(6,656,149)	(1,833,761)	(4,361,395)
	(611,777)	(6,225,797)	41,297,893	26,100,075

The accompanying notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Signed by: 
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Chairman
Khalid Abunayyan

Signed by: 
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Chief Executive Officer
Awaadh Al Otaibi

Signed by: 
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Chief Financial Officer
Rehan Masood

MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED COSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**For the nine-month period ended 30 September 2025***(Amounts in Saudi Riyals)*

	Share capital	Statutory reserve	Cash flow hedge reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
As at 31 December 2023 (Audited)	160,925,543	250,000	1,705,695	229,971,854	392,853,092	385,268	393,238,360
Profit for the period	-	-	-	44,137,077	44,137,077	670,329	44,807,406
Other comprehensive loss for the period	-	-	(13,675,607)	-	(13,675,607)	(5,031,724)	(18,707,331)
Total comprehensive income for the period	-	-	(13,675,607)	44,137,077	30,461,470	(4,361,395)	26,100,075
As at 30 September 2024 (Unaudited)	160,925,543	250,000	(11,969,912)	274,108,931	423,314,562	(3,976,127)	419,338,435
As at 31 December 2024 (Audited)	160,925,543	250,000	6,613,865	274,685,074	442,474,482	3,445,550	445,920,032
Share capital of non-controlling interest	-	-	-	-	-	45,000	45,000
Profit for the period	-	-	-	73,342,076	73,342,076	1,962,252	75,304,328
Other comprehensive loss for the period	-	-	(30,210,422)	-	(30,210,422)	(3,796,013)	(34,006,435)
Total comprehensive (loss) income for the period	-	-	(30,210,422)	73,342,076	43,131,654	(1,833,761)	41,297,893
Dividends (note 22)	-	-	-	(16,092,554)	(16,092,554)	-	(16,092,554)
As at 30 September 2025 (Unaudited)	160,925,543	250,000	(23,596,557)	331,934,596	469,513,582	1,656,789	471,170,371

The accompanying notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Signed by:

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Chairman
Khalid Abunayyan

Signed by:

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Chief Executive Officer
Awaadh Al Otaibi

Signed by:

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Chief Financial Officer
Rehan Masood

MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**For the period ended 30 September 2025***(Amounts in Saudi Riyals)*

		30 September 2025	30 September 2024
	<i>Note</i>	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:			
Profit before Zakat		80,897,244	47,787,951
<i>Adjustments to reconcile profit before zakat to net cashflows:</i>			
Depreciation of property and equipment		1,832,861	2,054,263
Amortisation of intangible assets		66,133	9,798
Depreciation of right-of-use assets	11	5,213,010	2,007,832
Amortisation of intangible assets arising from service concession arrangements	4	26,333,456	32,863,339
Concession contract receivables billed during the period	6	26,051,467	25,967,926
Finance cost on lease liabilities	11	2,960,120	350,689
Finance costs on loans and borrowings		31,900,752	29,528,866
Share of profit from equity accounted investees	5	(3,680,895)	(4,722,888)
Allowance for ECL on trade receivables	7	950,000	1,365,984
Defined employee benefits obligation expense		3,675,621	2,446,063
Amortisation of the upfront cost	10	1,402,677	917,109
Finance income on short-term deposits		(7,774,228)	(5,354,542)
Finance income on concession contract receivables	6	(21,799,527)	(16,600,870)
		148,028,691	118,621,520
Changes in operating assets and liabilities:			
Inventories		(708,689)	(841,081)
Prepayments and advances		31,420	12,698,168
Contract assets		(4,166,917)	30,834,551
Due from related parties		6,835,292	(5,953,735)
Trade and other receivables		(36,123,422)	1,061,273
Trade and other payables		17,263,296	(32,133,269)
Other liabilities, share based payment, deferred revenue and contract liabilities		791,112	(1,392,091)
		131,950,783	122,895,336
Finance income on short-term deposits received		6,338,098	5,195,542
Defined employees' benefits obligations paid		(2,186,455)	(627,914)
Finance costs paid on loans and borrowings		(32,205,279)	(30,841,386)
Zakat paid		(6,139,533)	(5,838,769)
Net cash flows generated from operating activities		97,757,614	90,782,809
INVESTING ACTIVITIES			
Acquisition of property and equipment		(5,157,870)	(1,012,219)
Acquisition of intangible assets		-	(294,735)
Acquisition of intangible assets arising from service concession arrangements	4	(7,987,529)	(10,125,066)
Change in prepayments and advances		(25,356,878)	(38,697,262)
Movement in payables of capital creditors		157,654,876	-
Additions to concession contract receivables	6	(272,102,436)	(39,016,018)
Placement of short-term deposits		(116,500,000)	(114,056,000)
Proceeds of short-term deposits		129,000,000	106,576,000
Acquisition of investment in equity accounted investees		-	(65,000)
Net cash flows used in investing activities		(140,449,837)	(96,690,300)

MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**For the period ended 30 September 2025***(Amounts in Saudi Riyals)*

		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
	<i>Note</i>		
FINANCING ACTIVITIES			
Repayment of loan and borrowings	10	(184,314,552)	(38,869,910)
Proceeds from loans and borrowings	10	378,394,821	90,274,136
Upfront fees paid on loans and borrowings	10	(9,328,929)	(1,489,944)
Payment of principal portion of lease liabilities	11	(6,287,361)	(1,750,230)
Payment of finance costs on lease liabilities		(2,960,120)	(350,689)
Dividend payment		(16,092,554)	-
Acquisition of non-controlling interest		45,000	-
Net cash flows generated from financing activities		159,456,305	47,813,363
Net increase in cash and cash equivalents during the period		116,764,082	41,905,872
Cash and cash equivalent at the beginning of the period		144,203,173	136,166,214
Cash and cash equivalents at the end of the period		260,967,255	178,072,086
Significant non-cash transactions:			
Additions to right-of-use assets and lease liabilities		57,723,921	485,209
Derecognition of right-of-use assets and lease liabilities		(37,888)	(170,528)
Additions to intangible assets arising from service concession arrangements and other non-current liabilities		-	32,425,413
Transfer from prepayment and advances to loans and borrowings		-	1,144,519
Transfer from plant under construction to concession contract receivables		-	160,876

The accompanying notes 1 to 24 form an integral part of these condensed consolidated interim financial statements.

Signed by:

 874C6993D83246B...
 Chairman
 Khalid Abunayyan

Signed by:

 950691AF82714C7...
 Chief Executive Officer
 Awaadh Al Otaibi

Signed by:

 BCA1A75B148B463...
 Chief Financial Officer
 Rehan Masood

1. REPORTING ENTITY

Miahona Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration numbered 1010253603 dated 16 Rajab 1429 H (corresponding to 20 July 2008) and Unified Identification Number 7001577191.

The main activities of the Company and its subsidiaries (collectively referred to as “the Group”) are to engage in water transportation and distribution, operation of sewage treatment networks and facilities, general construction of the non-residential buildings (schools, hospitals, hotels etc.), establishing main water distribution stations and lines and establishing sewage stations and project, sewage networks and pumps.

The Company was incorporated on 16 Rajab 1429 H (corresponding to 20 July 2008) as a Limited Liability Company. On 16 Jumada’I 1445H (corresponding to 31 October 2023), the legal status of the Company changed from a Limited Liability Company to a Saudi Joint Stock Company – Closed. This was pursuant to the Company’s listing process on Saudi Stock Exchange (“Tadawul”), whereby the Company had filed the application of listing with Capital Market Authority (“CMA”) and Tadawul on 4 Jumada’II 1445H (corresponding to 17 December 2023). Tadawul approved the application on 14 February 2024. CMA approved the application on 20 March 2024. The Company has been listed on Tadawul on 29 Thul-Qi’dah 1445H (corresponding to 6 June 2024).

The Company has following subsidiaries and associates:

Name	Activities	Country of incorporation	Percentage of ownership (effective)	
			As at 30 September 2025	As at 31 December 2024
<u>Subsidiaries</u>				
Industrial Cities Development and Operating Company (“ ICDOC ”) (refer note (a) below)	The main activity of ICDOC is to engage in the construction, operation and maintenance of water desalination stations, for industrial cities, water and wastewater networks, torrents networks, developing and operating industrial cities, constructing and operating of electricity stations for industrial cities, purchase of lands for constructions, developing and investing in buildings by sale and rent.	Kingdom of Saudi Arabia	100%	100%
Clear Water Company (“ CWC ”) (refer note (b) below)	The main activity of CWC is to engage in water supply and sewerage activities and waste management and treatment, Building construction and Electrical installations.	Kingdom of Saudi Arabia	100%	-
Riyadh Water Production Company (“ RWPC ”) (refer note (c) below)	The main activity of RWPC is to engage in drilling all kind of water well, water technology, production, distribution transport, sell, sewerage, drainage, processors, re-use of water, sold, public construction contracting, piping, electrical work, mechanical work, maintenance, operations and road works.	Kingdom of Saudi Arabia	100%	100%

1. REPORTING ENTITY (CONTINUED)

Name	Activities	Country of incorporation	Percentage of ownership (effective)	
			As at 30 September 2025	As at 31 December 2024
Subsidiaries				
Al Jazzirah Environment Company (“ JECO ”) (refer note (d) below)	The main activity of JECO is operation and maintenance of water desalination plant including brackish and sea water, sewerage treatment plant, water and sewerage networks, and recycle water treatment and networks.	Kingdom of Saudi Arabia	100%	100%
Araha Environmental Sciences Company (“ ARAHA ”) (refer note (e) below)	The main activity of Araha is to engage in operation of sewer systems or sewer treatment facilities, repair and maintenance of sewer systems, sewage disposals plants and pumping station, Construction of sewer systems, sewage disposal plants and pumping stations.	Kingdom of Saudi Arabia	70%	70%
Sustainable Water Company for Environmental Services (“ SWESC ”) (refer note (f) below)	The main activity of SWES is construction of utility projects, sewage, operation and maintenance of water supply, sanitation, waste management and treatment activities.	Kingdom of Saudi Arabia	70%	70%
Al Haer Operations Limited Company (“ AL HAER OPERATIONS ”) (refer note (h) below)	The main activity of Al Haer Operations is to engage in water supply, sanitation, waste management and treatment, sanitation and construction of utility projects.	Kingdom of Saudi Arabia	55%	55%
Associates				
Al Haer Environmental Services (“ AL HAER ”) (refer note (g) below)	The main activity of Al Haer is to engage in water supply, sanitation, waste management and treatment, sanitation and construction of utility projects.	Kingdom of Saudi Arabia	45%	45%
International Water Partner Company (“ IWP ”) (refer note (i) below)	The main activity is for Management, Operations and Maintenance (“ MOM ”) Services for the first Cluster i.e., North-west consisting of the areas of Madinah and Tabuk.	Kingdom of Saudi Arabia	40%	40%
International Water Partner Company the second (“ IWP2 ”) (refer note (j) below)	The main activity is for Management, Operations and Maintenance (“ MOM ”) Services for the Cluster i.e., Eastern consisting of the areas of Dammam.	Kingdom of Saudi Arabia	35%	35%

1. REPORTING ENTITY (CONTINUED)

- (a) ICDOC is engaged in the following service concession arrangements as at the reporting date:
- A service concession arrangement a ROT project with a Government related entity in Jeddah dated 24 March 2002, effective from 15 March 2005, for rehabilitating, operating and maintaining the wastewater plant and related network system (“wastewater treatment facilities”) of Jeddah Industrial city. The wastewater treatment facilities will be transferred back to Government related entity at the end of the concession arrangement period of 20 years. The project was extended for a further two months after expiry date. The contract ended on May 15, 2025.
 - A service concession arrangement a ROT project with Government related entity for industrial cities in Dammam and Al-Ahsa dated 22 October 2007, effective from 30 January 2008, for rehabilitating, operating and maintaining the water utilities and wastewater plant and related network system (“water utilities and wastewater treatment facilities”) of the first and second industrial cities in Dammam and building, operating and maintaining the water utilities and wastewater treatment facilities of the first industrial city in Al-Ahsa. The water utilities and wastewater treatment facilities in industrial cities in Dammam and Al-Ahsa will be transferred back to Government related entity at the end of the concession arrangement period of 30 years.
- (b) The Company established a wholly owned subsidiary, Clear Water Company (“CWC”), on 13 May 2025. CWC has entered into a service concession arrangement a ROT project for rehabilitating, operating and maintaining the wastewater plant and related network system (“wastewater treatment facilities”) of Jeddah Industrial city with a government-related entity for a period of 25 years.
- (c) RWPC is engaged in a service concession arrangement a BOT contract with the Government related entity dated 15 September 2015 to perform the following:
- further, develop, own, finance engineer, design, procure, construct, commission, start up and test the new Water Treatment Station (“WTS”).
 - operate, maintain and transfer the new WTS.
- (d) JECCO is a subcontractor for operations and maintenance of the above service concession contracts relating to ICDOC, RWPC, Araha and SWESC.
- (e) On 30 November 2022, the Company established ARAHA. The Company injected cash of SR 350,000 equal to 70% of Araha’s shares.

ARAHA is engaged in a service concession arrangement with the Government related entity dated 28 August 2022, effective from 2 May 2023, to perform the rehabilitation remediation and financing, completion, testing, operation and maintenance, handover, and transfer of the existing two sewage treatment plants (“STP”) in Makkah called Hadda and Arana STPs under Build, Own, Operate and Transfer (“BOOT”) model.

- (f) On 27 February 2023, the Company was awarded a contract through competitive tendering process for the Ras Tanura Refinery (“RTR”) wastewater treatment plant project – to treat industrial wastewater of a Government related entity. The Company’s share capital amounted to SR 350,000 equal to 70% of SWESC’s shares.

The industrial wastewater treatment plant, wastewater and effluent transmission systems will be developed on a Build-Own-Operate-Transfer (“BOOT”) basis for a period of 25 years. This BOOT arrangement is classified as a financial asset model under IFRIC 12, Service Concession Arrangements.

- (g) The Company formed AL HAER during 2024. The Company holds 45% of shares of Al Haer. On 07 February 2025 the Company was awarded with the contract for developing AL HAER Independent Sewage Treatment Plant (“ISTP”) on a Build, Own, Operate and Transfer (“BOOT”) model with a treatment capacity of 200,000 m3/day. It will also include Treated Sewage Effluent Special Facilities (TSESF), consisting of an approximately 32 km-long Treated Sewage Effluent (TSE) transmission system with a capacity of 400,000 m3/day, a TSE Pumping Station, and TSE storage tanks with a capacity of 200,000 m3.

1. REPORTING ENTITY (CONTINUED)

- (h) The Company has formed AL HAER Operations during 2024. The Company holds 55% of shares of AL HAER Operations. No operational activities have been undertaken by AL HAER Operations during the period.
- (i) The Group made an investment in IWP to the extent of 40% of IWP's share capital, for a consideration of SR 200,000 in February 2021.

IWP is engaged in a contract with a Government related entity to perform management and operations of the water supply lines between the cities, engage in water wells, water technology, production, distribution, transport, sell, sewerage, drainage and re-use of water and public construction contracting, piping, electrical work, mechanical work, maintenance, operating and road works.

- (j) The Group made an investment in a newly formed entity IWP2 to the extent of 35% of IWP2's share capital, for a consideration of SR 175,000 in January 2022.

IWP2 is engaged in a contract with a Government related entity to perform management and operations of the water supply lines between the cities, engage in water wells, water technology, production, distribution, transport, sell, sewerage, drainage and re-use of water and public construction contracting, piping, electrical work, mechanical work, maintenance, operating and road works.

2. BASIS OF PRESENTATION**2.1 Statement of compliance**

These condensed consolidated interim financial statements of the Group for the three-month and nine-month periods ended 30 September 2025 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Preparation of condensed consolidated interim financial statements

These condensed consolidated interim financial statements do not include all of the information and disclosures required in a full set of annual consolidated financial statements and should therefore be read in conjunction with the last annual consolidated financial statements for the year ended 31 December 2024 ("last annual consolidated financial statements"). However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group financial position and performance since the last annual consolidated financial statements. Although these condensed consolidated interim financial statements for the three-month and nine-month periods ended 30 September 2025 are not affected significantly by seasonality, the results shown in these condensed consolidated interim financial statements may not be indicative of the annual results of the Company's operations.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals ("SR"), which is the Company's functional currency. The Group has used Saudi Riyal ("SR") as the presentation currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

2. BASIS OF PRESENTATION (CONTINUED)

2.4 Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date. Further, the condensed consolidated interim financial statements are prepared using the accrual basis of accounting and on a going concern basis. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Items	Measurement basis
Derivative financial instruments	Fair value
Defined employees benefits obligations	Present value of the defined benefit obligation
Investment in equity accounted investees	Equity method of accounting
Share-based payments	Fair value

2.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.6 Basis of equity accounted investees

An equity accounted investee is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Interests in equity accounted investee are accounted using the equity method. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. CHANGES TO MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those followed in preparing the Group's last annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 (as explained in note 3.2). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment applies for the first time in 2025, but does not have an impact on the condensed consolidated interim financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's condensed consolidated interim financial statements.

3.1 Significant accounting judgements, estimates and assumptions.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which are significant to the condensed consolidated interim financial statements:

- Consolidation: whether the Group has de facto control over an investee;
- Revenue recognition: allocation of transaction price to performance obligations, measurement of significant financing component;
- Derivative financial instruments;
- Measurement of defined employee benefits obligation - key actuarial assumptions;
- Allowance for expected credit losses on trade receivables, contract assets and concession contract receivables; and
- Classification of concession contract receivables as per IFRIC 12.

3.2 Standards issued but not yet effective

There are new standards and amendments that are not yet effective and have been explained in Group's Annual Consolidated Financial Statements for the year ended 31 December 2024. These amended standards and interpretations are not expected to have a material impact on the Group's Annual Consolidated Financial Statements. The Group has not early adopted the new or amended standards in preparing these condensed consolidated interim financial statements.

4. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
<u>Cost:</u>			
At the beginning of the period / year	786,018,084	739,120,517	739,120,517
Additions during the period / year	7,987,529	42,550,479	47,646,984
Disposal during the period / year	-	-	(749,417)
At the end of the period / year	794,005,613	781,670,996	786,018,084
<u>Accumulated amortisation:</u>			
At the beginning of the period / year	437,399,985	393,295,717	393,295,717
Charge for the period / year	26,333,456	32,863,339	44,775,612
Disposal during the period / year	-	-	(671,344)
At the end of the period / year	463,733,441	426,159,056	437,399,985
<u>Net book value:</u>			
At the end of the period / year	330,272,172	355,511,940	348,618,099

Intangible assets arising from service concession arrangements include the costs below:

- the cost of the rehabilitation of water utilities and wastewater treatment facilities for the first and second industrial cities of Dammam;
- the cost of construction of water utilities and wastewater treatment facilities for the first industrial city of Al-Ahsa;
- the cost of the rehabilitation of water utilities and wastewater treatment facilities for reverse osmosis plant at the second industrial city in Dammam; and
- the cost for the rehabilitation of wastewater treatment facilities for Jeddah Industrial City.

4.1 Additions represent enhancements to water and wastewater treatment station and networks.

4.2 Included in additions during the period are finance costs capitalised amounting to SR 306,103 (30 September 2024: SR 308,350). The rate used for finance costs capitalisation is 7.98% (2024: 8.31%) per annum.

5. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

	Ownership %	30 September 2025 (Unaudited)	31 December 2024 (Audited)
International Water Partners Company	40	15,008,867	13,817,154
International Water Partners Company 2	35	7,902,288	5,394,310
Al Haer Environmental Services (Al Haer)	45	(20,224,728)	(124,405)
		2,686,427	19,087,059
<i>Presented in the condensed consolidate interim statement of financial position as:</i>			
Investment in equity accounted investees		22,911,155	19,087,059
Provision against losses in an equity accounted investee		(20,224,728)	-

5. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (continued)

Movement in investments in equity accounted investees is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	19,087,059	13,406,907	13,406,907
Additions during the period / year	-	65,000	65,000
Share of profit for the period / year	3,680,895	4,722,888	5,615,152
Share of OCI for the period / year	(20,081,527)	-	-
At the end of the period / year	2,686,427	18,194,795	19,087,059

6. CONCESSION CONTRACT RECEIVABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Concession contract receivables	663,800,696	395,950,200
<i>Classified as:</i>		
· Non-current	629,214,670	361,364,174
· Current	34,586,026	34,586,026
	663,800,696	395,950,200

Movement in concession contract receivables is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	396,096,287	305,143,186	305,143,186
Additions for the period / year (refer note 6.1 and 6.2)	272,102,436	39,016,018	105,114,375
Transfers for the period / year	-	160,786	-
Finance income for the period / year	21,799,527	16,600,870	20,611,303
Amount billed for the period / year	(26,051,467)	(25,967,926)	(34,772,577)
	663,946,783	334,952,934	396,096,287
Allowance for expected credit losses	(146,087)	(146,087)	(146,087)
At the end of the period / year	663,800,696	334,806,847	395,950,200

6.1 During 2023, the Group has entered into a long-term operation and maintenance agreement (“LTOM Agreement”) with a Government related entity for a period of 10 years. The scope of the LTOM agreement is rehabilitation and remediation work of the water 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.

6.2 During 2024, the Group has entered into Build-Own-Operate-Transfer (“BOOT”) a wastewater treatment plant project for 25 years. The scope of the BOOT is to build the plant and 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 BOOT, the plants would be transferred back to Government related entity.

MIAHONA COMPANY

(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***(Amount in Saudi Riyals)***7. TRADE AND OTHER RECEIVABLES**

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	90,199,136	57,930,652
Less: allowance for expected credit losses	(2,747,559)	(5,711,468)
	87,451,577	52,219,184
Staff and other receivables	1,665,431	1,724,402
	89,117,008	53,943,586

Movement of allowance for expected credit losses is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	5,711,468	4,480,484	4,480,484
Allowance for the period / year	950,000	110,000	525,000
Reclassification from provisions	-	-	705,984
Written off during the period / year	(3,913,909)	-	-
At the end of the period / year	2,747,559	4,590,484	5,711,468

8. CONTRACT ASSETS

Movement for the period / year is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	6,848,989	38,082,881	38,082,881
Unbilled amount during the period / year	70,701,023	5,992,344	6,848,989
Billed amount during the period / year	(66,534,106)	(36,826,897)	(36,826,897)
Written off during the period / year	-	(1,255,984)	(1,255,984)
At the end of the period / year	11,015,906	5,992,344	6,848,989

9. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash at bank	134,569,302	130,120,713
Term deposits having original maturity of less than three months	126,240,000	14,000,000
Cash in hand	157,953	82,460
	260,967,255	144,203,173

10. LOANS AND BORROWINGS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Murabaha term loan (a)	160,000,000	178,090,000
Murabaha term loan (b)	204,780,240	208,144,487
Equity bridge loan (EBL) (c)	18,960,373	18,960,373
Senior debt facility (d)	14,066,481	14,066,481
Equity bridge loan (EBL) (e)	127,261,808	85,624,856
Senior debt and VAT facility (f)	176,342,162	2,444,598
Sub-total	701,411,064	507,330,795
Less: Borrowing cost subject to amortisation	(13,849,207)	(5,922,955)
Amortised cost of loans and borrowings	687,561,857	501,407,840
Less: current portion of loans and borrowings	(44,412,082)	(140,080,875)
Non-current portion of loans and borrowings	643,149,775	361,326,965

Movement for the period / year excluding borrowing cost subject to amortisation is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	501,407,840	442,550,513	442,550,513
Proceeds received during the year / period	378,394,821	90,274,136	101,584,532
Repayments made during the year / period	(184,314,552)	(38,869,910)	(41,624,394)
Amortisation of upfront fees during the year / period	1,402,677	917,109	1,531,652
Upfront fees paid during the year / period	(9,328,929)	(1,489,944)	(1,489,944)
Upfront fees transferred during the year / period	-	(1,144,519)	(1,144,519)
At the end of the period / year	687,561,857	492,237,385	501,407,840

The Group's facilities utilised and un-utilised against loans and borrowings as of 30 September are as follows:

- During the period, Industrial Cities Development and Operating Company ("ICDOC"), a wholly owned subsidiary of Miahona, refinanced its existing Murabaha loan facilities with a new Shariah-compliant financing agreement with Arab National Bank totaling SAR 210 million against the old Murabaha loan facilities of SR 350,000,000 secured from a local bank.

The transaction included:

- Refinancing of existing obligations with a local bank (original loan scheduled to mature in February 2026).
- Financing for capital expenditure requirements.

For above transaction, old facility loan was derecognised and new facility loan was recognised at fair value. The loan is secured by assignment of receivables, insurance proceeds, and the pledge over designated bank accounts, 6-month Debt Service Reserve Account ("DSRA"), and promissory note. These facilities carry financing costs based on Saudi Inter Bank Offer Rate ("SAIBOR") plus margin. The new loan is repayable in 5 years tenure ending at July 2030. The facilities are repayable in unequal semi-annual instalments till maturity date. As at 30 September 2025, the Group is in compliance with the financial covenants stipulated.

10. LOANS AND BORROWINGS (continued)

- b. Murabaha loan facilities amounting to SR 249,736,000 secured from a consortium of local banks. The facilities include long-term loan of SR 243,786,000 on non-recourse basis and a working capital facility of SR 5,950,000 (unutilised). The commission on the term-loan is charged at a floating rate based on SAIBOR plus a margin. The term loan is repayable in unequal semi-annual instalments till maturity date i.e., September 2038. As at 30 September 2025, the Group is in compliance with the financial covenants stipulated.
- c. Equity bridge loan facilities amounting to SR 18,960,373 secured from a local bank. The commission on this loan is charged at a floating rate based on SAIBOR plus a margin. The facility is repayable in a bullet payment at maturity date i.e., February 2027.
- d. Bundled facilities amounting to SR 70,926,205 secured from a local bank. The facilities include Senior debt facility of SR 65,777,643, a working capital facility of SR 952,427 and a VAT facility of SR 4,196,135. The commission on the Senior debt is charged at a floating rate based on SAIBOR plus a margin. The Senior debt is repayable in unequal quarterly instalments till maturity date i.e., February 2033. As at 30 September 2025, the Group utilised SR 14,066,481 from senior debt facility only and the Group is in compliance with the financial covenants stipulated.
- e. Equity bridge loan facilities amounting to USD 33,936,482 (equivalent to SR 127,261,808) secured from a local bank. The commission on this loan is charged at a floating rate based on USD Term Secured Overnight Financing Rate ("SOFR") plus a margin. The maturity date of EBL Murabaha facilities is 15 June 2028, and on that date, it becomes repayable in full. To reduce its exposure to floating rate risk, the Group has entered into a profit rate swap.
- f. Istisna-Ijara facilities amounting to USD 144,189,639 and SR 17,260,000 secured from consortium of banks. The facilities include Senior debt facility of USD 139,586,972, a working capital facility of USD 1,400,000 and a VAT facility of SR 17,260,000. The Senior debt is repayable in unequal quarterly instalments till maturity date i.e., June 2051. As at 30 September 2025, the Group has utilised SR 4,968,332 from the VAT facility only.

The Group has interest rate swap ("IRS") hedging contracts with several banks to hedge the fluctuations in interest rates on loans. Hence, the variable rate loans of the Group are hedged to fixed rates.

11. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
<u>Right-of-use assets</u>			
At the beginning of the period / year	9,557,886	11,680,901	11,680,901
Addition during the period / year*	57,723,921	485,209	746,316
Depreciation charge for the period / year:			
Cost of revenue (note 15)	(659,872)	(777,083)	(1,011,033)
General and administrative expenses (note 16)	(4,553,138)	(1,230,749)	(1,687,771)
	(5,213,010)	(2,007,832)	(2,698,804)
Derecognition during the period / year	(37,888)	(170,527)	(170,527)
At the end of the period / year	62,030,909	9,987,751	9,557,886
<u>Lease liabilities</u>			
At the beginning of the period / year	9,782,284	11,275,353	11,275,353
Addition during the period / year	57,723,921	485,209	746,316
Lease payments	(9,247,481)	(2,092,758)	(2,530,484)
Interest on lease liabilities	2,960,120	350,689	461,626
Derecognition during the period / year	(37,888)	(170,527)	(170,527)
At the end of the period / year	61,180,956	9,847,966	9,782,284
Classified as:			
- Non-current	52,847,093	7,966,410	7,973,935
- Current	8,333,863	1,881,556	1,808,349
	61,180,956	9,847,966	9,782,284

* During the current period, the Group has entered into a new lease arrangement for the corporate office in Riyadh for a period of 5 years (plus 5 years extension), included in the lease term.

12. DEFERRED REVENUE AND CONTRACT LIABILITIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Deferred revenue (a)	8,697,555	9,014,118
Contract liabilities (b)	4,620,864	4,777,830
Non current	13,318,419	13,791,948
Deferred revenue (c) – current	4,581,438	-

(a) Deferred revenue arises from the Group's connection services under service concession contract. Consideration is received upfront, accordingly, the consideration received is recognised as a deferred revenue and is recognised as revenue on a straight-line basis over the term of the concession arrangement.

(b) The contract liabilities primarily relate to the advance consideration received from customers.

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	4,777,830	4,279,496	4,279,496
Revenue recognised during the period / year	(1,529,864)	(851,297)	(1,332,197)
Billed during the period / year	1,372,898	1,372,899	1,830,531
At the end of the period / year	4,620,864	4,801,098	4,777,830

(c) Deferred revenue arises from unrealised margins on invoicing and the recognition of development income by the Company to one of its associates. Accordingly, the unrealised margins arising for the development income is recorded as deferred revenue and recognised as revenue progressively, based on the percentage of construction completion, over the construction period.

13. TRADE AND OTHER PAYABLES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Accrued expenses	173,780,982	93,059,429
Trade payables	95,963,874	4,341,129
Employee accruals	12,709,997	11,206,725
Value added tax ("VAT") payable	2,440,459	1,836,316
Retention payable	1,303,734	1,236,809
Advance from customer	317,391	222,384
Due to a related party (note 17.2)	52,185	52,185
	<u>286,568,622</u>	<u>111,954,977</u>

14. REVENUE

	For the three-month period ended 30 September 2025 (Unaudited)	2024 (Unaudited)	For the nine-month period ended 30 September 2025 (Unaudited)	2024 (Unaudited)
Service concession arrangements:				
<i>Water and wastewater services</i>	65,629,754	68,291,284	189,695,997	189,275,398
<i>Construction revenue – concession contract receivable (refer v)</i>	102,057,635	15,138,323	272,102,436	39,176,804
<i>Construction revenue – intangible assets</i>	2,876,903	2,670,812	8,083,733	10,125,066
Project development and advisory services	1,728,066	-	59,626,625	-
Operation and maintenance revenue	2,844,229	2,401,041	7,360,807	9,502,057
	<u>175,136,587</u>	<u>88,501,460</u>	<u>536,869,598</u>	<u>248,079,325</u>

Service concession arrangements

Revenue from the service concession arrangement is recognised as follows:

- i. **King Khaled International Airport Project ("KKIA project"):** The amount of consideration to which the Group expects to be entitled from the Grantor for the services provided is recognised when (or as) the performance obligations are satisfied. Under the terms of the arrangement with the Government related entity, the Group is obliged to Build-Operate-Transfer ("BOT") a Water Treatment Station ("WTS") for 28 years.

The total expected consideration over 28 years is allocated to the performance obligations based on the relative stand-alone selling prices of the construction services and operation & maintenance services, taking into account the significant financing component, as follows:

- For construction services under one BOT arrangement, the Group estimates the relative stand-alone selling price by reference to the forecast cost plus 5%.
- For operation & maintenance services under one BOT arrangement, the Group estimates the relative stand-alone selling price by reference to the forecast cost plus 7.7%.
- The implied interest rate of 5.2% is assumed to be the rate that would be reflected in a financing transaction between the Group and the Grantor.

- ii. **Dammam Industrial City ("DIC Project") and Jeddah Industrial City ("JIC Project") (Old and New):** The amount of consideration to which the Group is entitled to by providing services to the public is recognised when (or as) the performance obligations are satisfied. Under the terms of the arrangement with the Government related entity, the Grantor is not obliged to make any payment to the Group and the Group earns revenue by providing services to the public and charging them for the same. Accordingly, the revenue earned from construction services is recognised as an intangible asset under IFRIC 12, Service Concession Arrangements.

14. REVENUE (CONTINUED)

- iii. **Hadda and Arana Project:** The amount of consideration to which the Group expects to be entitled from the Grantor for the services provided is recognised when (or as) the performance obligations are satisfied. Under the terms of the arrangement with the Government related entity, the Group is obliged to Rehabilitate-Operate-Transfer (“ROT”) a Water Treatment Station (“WTS”) for 10 years.

The total expected consideration over 10 years is allocated to the performance obligations based on the relative stand-alone selling prices of the rehabilitation services and operation & maintenance services, taking into account the significant financing component, as follows:

- For construction services under one ROT arrangement, the Group estimates the relative stand-alone selling price by reference to the forecast cost plus 5%.
- For operation & maintenance services under one ROT arrangement, the Group estimates the relative stand-alone selling price by reference to the forecast cost plus 5%.
- The implied interest rate of 5.7% is assumed to be the rate that would be reflected in a financing transaction between the Group and the Grantor.

- iv. **Ras Tanura Project:** The amount of consideration to which the Group expects to be entitled from the Grantor for the services provided is recognised when (or as) the performance obligations are satisfied. Under the terms of the arrangement with the Grantor, the Group is obliged to Build-Own-Operate-Transfer (“BOOT”) a wastewater treatment plant project for 25 years.

The total expected consideration over 25 years is allocated to the performance obligations based on the relative stand-alone selling prices of the construction services and operation & maintenance services, taking into account the significant financing component, as follows:

- For construction services under one BOOT arrangement, the Group estimates the relative stand-alone selling price by reference to the forecast cost plus 5%.
- For operation and maintenance services under one BOOT arrangement, the Group estimates the relative standalone selling price by reference to the forecast cost plus 8%.
- The implied interest rate of 5.7% is assumed to be the rate that would be reflected in a financing transaction between the Group and the Grantor.

- v. During the current period, increase in construction revenue and construction cost is preliminary on account of the increase in construction activity in the project {refer note (iv) above} during the current period.

Project development and advisory services

During the current period, the Company has achieved the financial close of a project and a project development fee pertains to the new project is recognised. This project development income is usually recognised one-time when the project achieved financial close which is in line with the accounting policy.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**For the three-month and nine-month periods ended 30 September 2025***(Amount in Saudi Riyals)***15. COST OF REVENUE**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and employee related costs	15,686,680	15,798,313	44,760,223	43,930,745
Royalty	12,485,784	7,598,269	28,833,755	20,496,044
Amortisation of intangible assets arising from service concession arrangements	7,448,672	11,179,290	26,333,456	32,863,339
Business development expense	6,639,629	3,973,791	24,314,566	15,670,697
Electricity	5,932,149	5,002,853	15,552,506	14,397,859
Sludge transportation and violated treatment	2,332,452	1,075,981	6,138,880	3,236,196
Chemicals	1,192,073	1,617,721	4,281,724	5,094,386
Maintenance service, spare parts and consumables	1,371,222	1,815,346	3,732,560	4,820,768
Subcontract costs	580,800	894,357	2,187,700	2,550,628
Professional fees	188,691	235,395	1,005,987	578,184
Insurance expense	121,745	390,877	908,766	1,149,957
Depreciation of property and equipment	208,700	270,527	682,417	798,298
Depreciation of right-of-use assets	215,741	233,951	659,873	777,083
Amortisation of intangible assets	125	393	635	1,181
Others	2,099,558	1,358,644	6,403,920	5,442,908
Operation cost	56,504,021	51,445,708	165,796,968	151,808,273
Construction cost (refer note 14 (v) above)	101,730,317	16,440,159	271,713,084	31,807,073
Total cost of revenue	158,234,338	67,885,867	437,510,052	183,615,346

16. GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and employee related costs	3,336,620	2,314,000	9,502,076	7,497,939
Professional fees	2,353,643	2,317,110	6,782,256	5,384,444
Depreciation of right-of-use assets	1,482,446	426,129	4,553,137	1,230,749
Depreciation of property and equipment	351,870	424,823	1,150,444	1,255,965
Subscription	301,475	235,265	798,758	271,129
Provision for old office furniture	-	-	652,738	-
Advertising and training	269,960	47,691	595,492	914,062
IT cost and other utilities	56,865	177,883	447,912	448,416
Travel expenses	148,711	65,015	303,541	140,073
Training and seminars	115,875	122,175	142,956	263,791
Amortisation of intangible assets	16,375	8,329	65,498	8,617
Others	415,457	718,271	2,217,647	1,407,918
	8,849,297	6,856,691	27,212,455	18,823,103

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**For the three-month and nine-month periods ended 30 September 2025***(Amount in Saudi Riyals)***17. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent the Parent Company, shareholders of the Parent Company and key management personnel of the Group, and entities jointly controlled or significantly influenced by the Group and such parties. In the ordinary course of its activities, the Group transacts with related parties at terms mutually agreed between the parties. Balances and transactions between the Group entities are eliminated on consolidation. Key management personnel represent directors, the Chief Executive Officer and his direct reports.

Details of major transactions and balances between the Group and other related parties are as follows:

Name of related party	Nature of relationship
Abunayyan Trading Company	Shareholder having significant influence over the parent company (VIIC)
Abdulkadir Al-Muhaidib and Sons Company	Shareholder having significant influence over the parent company (VIIC)
Vision International Investment Company ("VIIC")	Parent company, Ultimate parent company and Ultimate Controlling Party

17.1 Related party transactions

Key management personnel compensation comprised the following:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	8,449,050	7,907,222
Long term employee benefits	622,340	-
Post-employment benefits	496,500	464,044
Directors' Remuneration	3,075,000	2,700,000

Nature of transaction**For the nine-month period ended 30 September**

		<u>2025</u>	<u>2024</u>
		(Unaudited)	(Unaudited)
Associates			
Al Haer Environmental Service Company	Providing project development and advisory services	59,288,630	-
	Expenses paid on behalf of the Company	5,891,345	-
Vision International Investment Company	Expenses paid on behalf of the Company	-	20,453,938
	Lease payments	-	958,942
International Water Partners	Expenses paid on behalf	3,425	-
International Water Partners Company The Second (IWP 2)	Providing services	37,482	150,705
	Expenses paid on behalf of IWP2	2,233	8,114

17.2 Related party balances**17.2.1 Due from related parties**

	Nature of relationship	30 September 2025	31 December 2024
		(Unaudited)	(Audited)
Al Haer Environmental Service Company	Associate	386,810	3,054,565
Vision International Investment Company	Parent company	329,516	1,288,458
International Water Partners	Associate	3,425	332,094
International Water Partner 2			
- Loan*	Associate	-	2,800,000
- Other receivables	Associate	293,434	373,360
		1,013,185	7,848,477

* Above loan balance is charged at a fixed rate and repayable on demand.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**For the three-month and nine-month periods ended 30 September 2025***(Amount in Saudi Riyals)***17. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)****17.2 Related party balances (continued)****17.2.2 Due to a related party**

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Abunayyan Trading Company	52,185	52,185
	52,185	52,185

All the above balances are unsecured and expect to be paid in next 12 months.

18. CONTINGENCIES AND COMMITMENTS

As of 30 September 2025, and 31 December 2024, the Group had the following contingencies and commitments in the normal course of business:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Performance guarantees issued by banks	172,943,465	168,204,440
Bid bond	36,750,000	3,000,000
Letter of credit	-	106,425
Advance payment guarantee issued by banks	100,000	100,000
Capital commitments against uncompleted performance obligation	179,405,484	434,804,087

19. OPERATING SEGMENTS

The Group's activities and business lines used as a basis for the financial reporting are consistent with the internal reporting process and information reviewed by Chairman Board of Directors, who is the Chief Operating Decision Maker ("CODM"). CODM considers the operations of the Group as a whole as one operating segment as all subsidiaries engage in provision of water utilities and wastewater treatment services. The Group's revenue, gross profit, total assets and total liabilities pertaining to the Group's operations as a whole are presented in the condensed consolidated interim financial statements. All of the Group's operations are conducted in KSA. Hence, separate geographical information is not disclosed.

20. EARNINGS PER SHARE**Basic earnings per share**

Basic earnings per share is calculated by dividing the profit for the Period after Zakat attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares issued and outstanding at the end of the period.

<u>Particulars</u>	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders	4,562,836	16,536,530	73,342,076	44,137,077
Weighted average number of ordinary shares (number of shares)	160,925,543	160,925,543	160,925,543	160,925,543
Basic earnings per share	0.03	0.10	0.47	0.28

20. EARNINGS PER SHARE (continued)

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit for the Period after Zakat attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares issued and outstanding at the end of the period after adjustment for the effects of all potential ordinary shares in respect of additional capital contribution.

Particulars	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)	<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
Profit attributable to ordinary shareholders	4,562,836	16,536,530	73,342,076	44,137,077
Weighted average number of ordinary shares (number of shares)	160,925,543	160,925,543	160,925,543	160,925,543
Diluted earnings per share	0.03	0.10	0.47	0.28

21. OTHER INCOME

This primarily relates to the other income from a contract amounting SR 12.7 million awarded to a subsidiary for providing support in training, logistics, supplier selection, design optimisation, risk mitigation, procurement management, and permit acquisition for major equipment procurement. Prior period amount of SR 7.6 million pertains to liabilities written back as related provision was no more required.

22. SHARE CAPITAL AND RESERVES

Share capital

The Company's authorised, issued and paid up share capital is divided into 160,925,543 shares of SR 1 each (31 December 2024: 160,925,543 shares of SR 1 each), owned 70% by Vision International Investment Company and 30% by Others.

Dividends

On 1 Muharram 1447H (corresponding to 26 June 2025), the shareholders resolved to distribute cash dividend for year ending 31 December 2024 of SR 0.1 per share amounting to SR 16.09 million. The amount has been paid during the period.

23. EVENTS AFTER THE REPORTING DATE

Management believes that there are no material events subsequent to the reporting date that requires adjustment or disclosure in these condensed consolidated interim financial statements.

24. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved from Board of Directors on 4 Jumada Al-Ula 1447H (corresponding to 26 October 2025).