

(A Saudi Joint Stock Company)  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
(Unaudited)  
For the three-month period ended 31 March 2026  
together with the  
Independent Auditor's Review Report

**MIAHONA COMPANY**  
(A Saudi Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the three-month period ended 31 March 2026**



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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 (collectively with the Company, referred to as the "Group") at 31 March 2026, and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2026 and the related condensed consolidated interim statements of changes in equity and cash flows for the three-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 condensed consolidated interim financial statements for the three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on those statements on 16 Thul Qi'dah 1446H (corresponding to 14 May 2025).

for Ernst & Young Professional Services



Waleed G. Tawfiq  
Certified Public Accountant  
License No. (437)

Riyadh: 20 Thul-Qi'dah 1447H  
(7 May 2026)



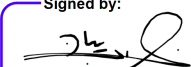
**MIAHONA COMPANY**

(A Saudi Joint Stock Company)

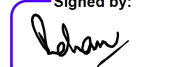
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION****As at 31 March 2026***(Amounts in Saudi Riyals)*

	<i>Notes</i>	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment		8,975,927	8,776,601
Intangible assets		139,455	164,016
Intangible assets arising from service concession arrangements	4	342,963,284	343,329,015
Right-of-use assets	11	59,231,989	60,444,677
Investments in equity accounted investees	5	23,296,509	23,327,658
Fair value of derivative financial instruments		3,326,325	968,628
Concession contract receivables	6	773,367,539	719,298,090
Advance against intangible assets arising from service concession arrangements		7,338,148	7,428,996
<b>Total non-current assets</b>		<b>1,218,639,176</b>	<b>1,163,737,681</b>
<b>CURRENT ASSETS</b>			
Concession contract receivables	6	34,586,026	34,586,026
Inventories		6,977,399	6,421,442
Prepayments and advances		31,631,925	61,317,090
Contract assets	8	7,684,878	8,087,530
Due from related parties	17	630,579	376,377
Trade and other receivables	7	60,440,161	49,411,936
Short-term deposits		190,200,000	55,000,000
Cash and cash equivalents	9	72,284,285	305,710,999
<b>Total current assets</b>		<b>404,435,253</b>	<b>520,911,400</b>
<b>TOTAL ASSETS</b>		<b>1,623,074,429</b>	<b>1,684,649,081</b>
<b>EQUITY</b>			
Share capital	21	160,925,543	160,925,543
Reserve	21	250,000	250,000
Cash flow hedge reserves		(12,011,827)	(18,841,785)
Retained earnings		334,990,083	332,359,710
<b>Sub-total</b>		<b>484,153,799</b>	<b>474,693,468</b>
Non-controlling interest		5,508,327	4,322,809
<b>Total equity</b>		<b>489,662,126</b>	<b>479,016,277</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	10	685,509,710	727,605,868
Lease liabilities	11	54,072,832	56,753,925
Fair value of derivative financial instruments		395,943	798,600
Employees' defined benefit liabilities		26,989,091	26,505,650
Deferred revenue and contract liabilities	12	13,267,761	13,420,385
Provision against losses in an equity accounted investee	5	13,372,199	18,316,197
Other liabilities		29,487,769	29,150,608
<b>Total non-current liabilities</b>		<b>823,095,305</b>	<b>872,551,233</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	225,591,702	271,625,372
Loans and borrowings	10	65,278,446	42,612,724
Lease liabilities	11	5,110,452	5,361,678
Other liabilities		2,353,839	2,353,839
Share-based payments		1,098,289	888,493
Deferred revenue and contract liabilities	12	2,618,004	3,660,960
Zakat provision		8,266,266	6,578,505
<b>Total current liabilities</b>		<b>310,316,998</b>	<b>333,081,571</b>
<b>Total liabilities</b>		<b>1,133,412,303</b>	<b>1,205,632,804</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,623,074,429</b>	<b>1,684,649,081</b>

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.

Signed by:  
  
 874C6993D83246B  
 Chairman  
 Khalid Abunayyan

Signed by:  
  
 950691AE82714C7  
 Chief Executive Officer  
 Awaadh Al Otaibi

Signed by:  
  
 BCA1A75B148B463  
 Chief Financial Officer  
 Rehan Masood

**MIAHONA COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS****For the three-month period ended 31 March 2026***(Amounts in Saudi Riyals)*

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<b>2026</b> <b>(Unaudited)</b>	<b>2025</b> <b>(Unaudited)</b>
Revenue	14	<b>117,712,275</b>	175,172,189
Cost of revenue	15	<b>(103,972,588)</b>	(113,377,016)
<b>Gross profit</b>		<b>13,739,687</b>	61,795,173
Other income		<b>183,212</b>	12,720,730
General and administration expenses	16	<b>(7,888,000)</b>	(7,639,970)
Allowance for expected credit losses ("ECL") on financial assets	7	-	(950,000)
<b>Operating profit</b>		<b>6,034,899</b>	65,925,933
Finance costs		<b>(14,021,405)</b>	(12,076,061)
Finance income on concession contract receivables		<b>10,029,560</b>	7,145,669
Finance income on short-term deposits		<b>2,692,353</b>	2,450,919
Share of net profit from equity accounted investees	5	<b>60,936</b>	443,223
<b>Profit before Zakat</b>		<b>4,796,343</b>	63,889,683
Zakat expense		<b>(1,687,761)</b>	(2,039,955)
<b>Profit for the period</b>		<b>3,108,582</b>	61,849,728
<b>Profit for the period after Zakat attributable to:</b>			
Equity holders of the Group		<b>2,630,373</b>	61,427,654
Non-controlling interest		<b>478,209</b>	422,074
		<b>3,108,582</b>	61,849,728
<b>Earnings per share</b>			
Basic earnings per share	20	<b>0.02</b>	0.38
Diluted earnings per share	20	<b>0.02</b>	0.38

The accompanying notes 1 to 23 form an integral part of these condensed consolidated interim financial statements.

<p>Signed by:</p>  <p>874C6993D83246B...</p> <p>Chairman Khalid Abunayyan</p>	<p>Signed by:</p>  <p>950691AF82714C7...</p> <p>Chief Executive Officer Awaadh Al Otaibi</p>	<p>Signed by:</p>  <p>BCA1A75B148B463...</p> <p>Chief Financial Officer Rehan Masood</p>
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**MIAHONA COMPANY**

(A Saudi Joint Stock Company)


**CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME****For the three-month period ended 31 March 2026***(Amounts in Saudi Riyals)*

	<i>Notes</i>	<b>For the three-month period ended 31 March</b>	
		<b>2026</b> <b>(Unaudited)</b>	<b>2025</b> <b>(Unaudited)</b>
<b>Profit for the period after Zakat</b>		<b>3,108,582</b>	<b>61,849,728</b>
<i>Item that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges – effective portion of changes in fair value		<b>2,760,354</b>	(11,469,466)
Equity accounted investees – share of OCI	5	<b>4,776,913</b>	-
<b>Total other comprehensive income (loss)</b>		<b>7,537,267</b>	(11,469,466)
<b>Total comprehensive income (loss) for the period</b>		<b>10,645,849</b>	<b>50,380,262</b>
<b>Other comprehensive income (loss) for the period attributable to:</b>			
Equity holders of the Group		<b>6,829,958</b>	(8,379,843)
Non-controlling interest		<b>707,309</b>	(3,089,623)
		<b>7,537,267</b>	(11,469,466)
<b>Total comprehensive income (loss) for the period attributable to:</b>			
Equity holders of the Group		<b>9,460,331</b>	53,047,811
Non-controlling interest		<b>1,185,518</b>	(2,667,549)
		<b>10,645,849</b>	<b>50,380,262</b>

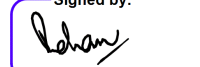
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Awaadh Al Otaibi

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Chief Financial Officer  
Rehan Masood

**MIAHONA COMPANY**

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY****For the three-month period ended 31 March 2026***(Amounts in Saudi Riyals)*

	Share capital	Reserve	Cash flow hedge reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>As at 31 December 2024 (Audited)</b>	160,925,543	250,000	6,613,865	274,685,074	442,474,482	3,445,550	445,920,032
Profit for the period	-	-	-	61,427,654	61,427,654	422,074	61,849,728
Other comprehensive loss for the period	-	-	(8,379,843)	-	(8,379,843)	(3,089,623)	(11,469,466)
Total comprehensive income for the period	-	-	(8,379,843)	61,427,654	53,047,811	(2,667,549)	50,380,262
<b>As at 31 March 2025 (Unaudited)</b>	<b>160,925,543</b>	<b>250,000</b>	<b>(1,765,978)</b>	<b>336,112,728</b>	<b>495,522,293</b>	<b>778,001</b>	<b>496,300,294</b>
<b>As at 31 December 2025 (Audited)</b>	<b>160,925,543</b>	<b>250,000</b>	<b>(18,841,785)</b>	<b>332,359,710</b>	<b>474,693,468</b>	<b>4,322,809</b>	<b>479,016,277</b>
Share capital of non-controlling interest	-	-	-	-	-	-	-
Profit for the period	-	-	-	2,630,373	2,630,373	478,209	3,108,582
Other comprehensive income for the period	-	-	6,829,958	-	6,829,958	707,309	7,537,267
Total comprehensive income for the period	-	-	6,829,958	2,630,373	9,460,331	1,185,518	10,645,849
<b>As at 31 March 2026 (Unaudited)</b>	<b>160,925,543</b>	<b>250,000</b>	<b>(12,011,827)</b>	<b>334,990,083</b>	<b>484,153,799</b>	<b>5,508,327</b>	<b>489,662,126</b>

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Chief Financial Officer  
Rehan Masood

**MIAHONA COMPANY**

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS****For the three-month period ended 31 March 2026***(Amounts in Saudi Riyals)*

	<u>Note</u>	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
<b>OPERATING ACTIVITIES:</b>			
Profit before Zakat		4,796,343	63,889,683
<i>Adjustments to reconcile profit before zakat to net cashflows:</i>			
Depreciation of property and equipment		719,007	668,363
Amortisation of intangible assets		24,561	24,907
Depreciation of right-of-use assets	11	2,084,766	1,991,270
Amortisation of intangible assets arising from service concession arrangements	4	8,028,630	11,517,303
Concession contract receivables billed during the period	6	8,606,690	8,683,822
Finance cost on lease liabilities	11	929,036	1,079,713
Finance costs on loans and borrowings		12,395,640	10,677,546
Share of net profit from equity accounted investees	5	(60,936)	(443,223)
Allowance for ECL on financial assets	7	-	950,000
Employees' defined benefit liabilities		864,186	1,272,892
Share-based payments		-	192,844
Amortisation of the upfront cost	10	696,729	318,802
Finance income on short-term deposits		(2,692,353)	(2,450,919)
Finance income on concession contract receivables	6	(10,029,559)	(7,145,669)
		<b>26,362,740</b>	<b>91,227,334</b>
<b>Changes in operating assets and liabilities:</b>			
Inventories		(555,957)	(366,886)
Prepayments and advances		862,356	(17,327,201)
Contract assets		402,652	32,155
Due from related parties		(254,202)	(5,763,301)
Trade and other receivables		(11,028,225)	(4,490,859)
Trade and other payables		(1,578,974)	22,423,097
Other liabilities, share based payment, deferred revenue and contract liabilities		(648,623)	7,163,189
		<b>13,561,767</b>	<b>92,897,528</b>
Finance income on short-term deposits received		3,197,384	2,450,919
Employees' defined benefit liabilities paid		(380,745)	(1,152,823)
Finance costs paid on loans and borrowings		(13,915,262)	(15,766,853)
Zakat paid		-	-
<b>Net cash flows generated from operating activities</b>		<b>2,463,144</b>	<b>78,428,771</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(918,333)	(3,138,099)
Acquisition of intangible assets		-	(2,382,284)
Acquisition of intangible assets arising from service concession arrangements	4	(7,662,899)	-
Change in prepayments and advances		28,408,626	-
Movement in payables of capital creditors		(42,935,074)	27,785,116
Additions to concession contract receivables	6	(52,646,580)	(56,881,233)
Placement of short-term deposits		(158,200,000)	(55,000,000)
Proceeds of short-term deposits		23,000,000	80,000,000
Acquisition of investment in equity accounted investees		(75,000)	-
<b>Net cash flows used in investing activities</b>		<b>(211,029,260)</b>	<b>(9,616,500)</b>

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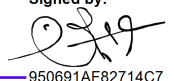
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS****For the three-month period ended 31 March 2026***(Amounts in Saudi Riyals)*

	<u>Note</u>	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
<b>FINANCING ACTIVITIES</b>			
Repayment of loan and borrowings	10	<b>(31,563,423)</b>	(19,865,496)
Proceeds from loans and borrowings	10	<b>11,436,258</b>	33,533,228
Upfront fees paid on loans and borrowings	10	-	(7,139,311)
Payment of principal portion of lease liabilities	11	<b>(3,804,397)</b>	(4,010,906)
Payment of finance costs on lease liabilities	11	<b>(929,036)</b>	(1,079,713)
<b>Net cash flows (used in) / generated from financing activities</b>		<b>(24,860,598)</b>	<b>1,437,802</b>
<b>Net (decrease) increase in cash and cash equivalents during the period</b>		<b>(233,426,714)</b>	<b>70,250,073</b>
Cash and cash equivalent at the beginning of the period		<b>305,710,999</b>	144,203,173
<b>Cash and cash equivalents at the end of the period</b>		<b>72,284,285</b>	<b>214,453,246</b>
<b>Significant non-cash transactions:</b>			
Additions to right-of-use assets and lease liabilities	11	<b>2,375,612</b>	57,057,139
Acquisition of equity accounted investees		<b>75,000</b>	-
Cash flow hedge reserves – effective portion of change in fair value		<b>2,760,354</b>	(11,469,466)

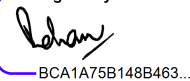
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Signed by:  
  
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Chairman  
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Chief Executive Officer  
Awaadh Al Otaibi

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Chief Financial Officer  
Rehan Masood

**MIAHONA COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***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’s national address is 3036 Saud Bin Abdullah Jalawi Street, Narjis View, Building no. D, Narjis District 6239, Riyadh 13336, Kingdom of Saudi Arabia.

The Company has been listed on Saudi Stock Exchange (“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 31 March 2026	As at 31 December 2025
<b><u>Subsidiaries</u></b>				
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%	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%

**MIAHONA COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***1. REPORTING ENTITY (CONTINUED)**

Name	Activities	Country of incorporation	Percentage of ownership (effective)	
			As at 31 March 2026	As at 31 December 2025
<b><u>Subsidiaries</u></b>				
Al Jazzirah Environment Company (“ <b>JECO</b> ”) (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	<b>100%</b>	100%
Araha Environmental Sciences Company (“ <b>ARAHA</b> ”) (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	<b>70%</b>	70%
Sustainable Water Company for Environmental Services (“ <b>SWESC</b> ”) (refer note (f) below)	The main activity of SWESC is construction of utility projects, sewage, operation and maintenance of water supply, sanitation, waste management and treatment activities.	Kingdom of Saudi Arabia	<b>70%</b>	70%
Al Haer Operations Limited Company (“ <b>AL HAER OPERATIONS</b> ”) (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	<b>55%</b>	55%
<b><u>Associates</u></b>				
Al Haer Environmental Services (“ <b>AL HAER</b> ”) (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	<b>45%</b>	45%
International Water Partner Company (“ <b>IWP</b> ”) (refer note (i) below)	The main activity is for Management, Operations and Maintenance (“ <b>MOM</b> ”) Services for the first Cluster i.e., North-west consisting of the areas of Madinah and Tabuk.	Kingdom of Saudi Arabia	<b>40%</b>	40%
International Water Partner Company the second (“ <b>IWP2</b> ”) (refer note (j) below)	The main activity is for Management, Operations and Maintenance (“ <b>MOM</b> ”) Services for the Cluster i.e., Eastern consisting of the areas of Dammam.	Kingdom of Saudi Arabia	<b>35%</b>	35%

**MIAHONA COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***1. REPORTING ENTITY (CONTINUED)**

Name	Activities	Country of incorporation	Percentage of ownership (effective)	
			As at 31 March 2026	As at 31 December 2025
Arana Renewable Water Company (ARANA) (refer note (k) below)	The main activity of Arana is to manufacture multipurpose machinery, waste collection treatment and delivery, Sewage and construction of utility projects.	Kingdom of Saudi Arabia	35%	-
Arana Water Works Company (ARANA O&M) (refer note (l) below)	The main activity of ARANA O&M is to engage in Water supply, Waste water activities, Waste management, treatment and Construction.	Kingdom of Saudi Arabia	40%	-

- (a) ICDOC is engaged in the following service concession arrangements as at the reporting date:
- A service concession arrangement under Rehabilitate, Operate and Transfer (“ROT”) model 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 under Rehabilitate, Operate and Transfer (“ROT”) model 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 Build, Operate and Transfer (“BOT”) model with the Government related entity dated 15 September 2015 to perform, for a period of 25 years, further, develop, own, finance engineer, design, procure, construct, commission, start up and test the new Water Treatment Station (“WTS”) and operate, maintain and transfer the new WTS.
- (d) JECO 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. 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, , for a period of 10 years.

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- (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 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. The subsidiary has already achieved the commercial and financial close, signed a concession arrangement and construction work is in progress.
- (g) The Company formed AL HAER during 2024, in which it 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 m<sup>3</sup>/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 m<sup>3</sup>/day, a TSE Pumping Station, and TSE storage tanks with a capacity of 200,000 m<sup>3</sup>.
- (h) The Company has formed AL HAER Operations during 2024, in which it 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 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.
- (k) The Company formed ARANA on 8 January 2026, in which it holds 35% of shares of ARANA. On 04 December 2025, the Company was awarded with the contract for developing Arana Independent Sewage Treatment Plant (“ISTP”) 25-year Build, Own, Operate and Transfer (“BOOT”) model located in the Makkah province (the “Project”). The project comprises the design, financing, construction, commissioning, and operation of a 250,000 m<sup>3</sup>/day sewage treatment plant, including associated facilities. The scope also covers ownership, maintenance, and eventual handover and transfer upon expiry of the Sewage Treatment Agreement (“STA”), including water, TSE, and outfall delivery facilities. The Company is in process of achieving the financial close of this project.
- (l) The Company formed ARANA O&M on 8 January 2026 in which it holds 40% of shares of ARANA O&M. ARANA O&M will perform O&M services for the ARANA Plant in (k), which is expected to be operational by year 2029. No operational activities have been undertaken by ARANA O&M during the period.

**Recent geopolitical developments in the Middle East**

During the period, geopolitical tensions in parts of the Middle East intensified, leading to regional instability. Given that the Company’s operations are conducted within the region, management continues to monitor these developments closely as the situation remains evolving, and any further escalation or prolonged continuation of the conflict could potentially affect its business.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***2. BASIS OF PRESENTATION****2.1 Statement of compliance**

These condensed consolidated interim financial statements of the Group for the three-month period ended 31 March 2026 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 2025 (“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 period ended 31 March 2026 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.

**2.4 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.

<b>Items</b>	<b>Measurement basis</b>
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.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***2. BASIS OF PRESENTATION (CONTINUED)****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 2025, except for the adoption of new standards effective as of 1 January 2026 (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.

***Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7***

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance ("ESG") and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income ("OCI")

The amendments had no impact on the Group's condensed consolidated interim financial statements.

***Annual Improvements to IFRS accounting Standards – Volume 11***

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments had no impact on the Group's condensed consolidated interim financial statements.

***Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7***

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows

The amendments had no impact on Group's condensed consolidated interim financial statements.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***3. CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)****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 2025. 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.

<b>Standard, interpretation, amendments</b>	<b>Effective date</b>
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after 1 January 2027
Amendments to IFRS 10 and IAS 28	The effective date of the amendments has yet to be set by the IASB.

**4. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS**

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
<b><u>Cost:</u></b>			
At the beginning of the period / year	<b>816,095,323</b>	786,018,084	786,018,084
Additions during the period / year	<b>7,662,899</b>	2,382,284	30,266,947
Disposals during the period / year	-	-	(189,708)
<b>At the end of the period / year</b>	<b><u>823,758,222</u></b>	<u>788,400,368</u>	<u>816,095,323</u>
<b><u>Accumulated amortisation:</u></b>			
At the beginning of the period / year	<b>472,766,308</b>	437,399,985	437,399,985
Charge for the period / year	<b>8,028,630</b>	11,517,303	35,366,323
<b>At the end of the period / year</b>	<b><u>480,794,938</u></b>	<u>448,917,288</u>	<u>472,766,308</u>
<b><u>Net book value:</u></b>			
<b>At the end of the period / year</b>	<b><u>342,963,284</u></b>	<u>339,483,080</u>	<u>343,329,015</u>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)*

#### 4. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS (continued)

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 367,935 (31 March 2025: SR 217,917). The rate used for finance costs capitalisation is 7.49% per annum (31 March 2025: 8.31%).

#### 5. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

	<b>Ownership %</b>	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
International Water Partners Company	40	15,252,885	15,197,875
International Water Partners Company 2	35	7,968,624	8,129,783
Al Haer Environmental Services (Al Haer)	45	(13,372,199)	(18,316,197)
Arana Renewable Water Company	35	35,000	-
Arana Water Works Company	40	40,000	-
		<b>9,924,310</b>	<b>5,011,461</b>
<i>Presented in the condensed consolidated interim statement of financial position as:</i>			
Investment in equity accounted investees		<b>23,296,509</b>	23,327,658
Provision against losses in an equity accounted investee		<b>(13,372,199)</b>	(18,316,197)

Movement in investments in equity accounted investees is as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	5,011,461	19,087,059	19,087,059
Additions during the period / year	75,000	-	-
Share of profit for the period / year	60,936	443,223	4,599,925
Share of OCI for the period / year	4,776,913	-	(18,675,523)
At the end of the period / year	<b>9,924,310</b>	<b>19,530,282</b>	<b>5,011,461</b>

#### 6. CONCESSION CONTRACT RECEIVABLES

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Concession contract receivables	<b>807,953,565</b>	753,884,116
<i>Classified as:</i>		
- Non-current	773,367,539	719,298,090
- Current	34,586,026	34,586,026
	<b>807,953,565</b>	<b>753,884,116</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***6. CONCESSION CONTRACT RECEIVABLES (continued)**

Movement in concession contract receivables is as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	753,974,379	396,096,287	396,096,287
Additions for the period / year (refer note 6.1 and 6.2)	52,646,580	56,881,233	359,525,163
Finance income for the period / year	10,029,559	7,145,669	32,779,689
Amount billed for the period / year	<u>(8,606,690)</u>	<u>(8,683,822)</u>	<u>(34,426,760)</u>
	<b>808,043,828</b>	<b>451,439,367</b>	<b>753,974,379</b>
Allowance for expected credit losses	<u>(90,263)</u>	<u>(146,087)</u>	<u>(90,263)</u>
At the end of the period / year	<u><b>807,953,565</b></u>	<u><b>451,293,280</b></u>	<u><b>753,884,116</b></u>

**6.1** In 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** In 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.

**7. TRADE AND OTHER RECEIVABLES**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Trade receivables	60,919,935	50,102,354
Less: allowance for expected credit losses	<u>(2,418,171)</u>	<u>(2,418,171)</u>
	<b>58,501,764</b>	<b>47,684,183</b>
Staff and other receivables	<u>1,938,397</u>	<u>1,727,753</u>
	<u><b>60,440,161</b></u>	<u><b>49,411,936</b></u>

Movement of allowance for expected credit losses is as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	2,418,171	5,711,468	5,711,468
Charge for the period / year	-	950,000	620,612
Written off during the period / year	<u>-</u>	<u>(3,913,909)</u>	<u>(3,913,909)</u>
At the end of the period / year	<u><b>2,418,171</b></u>	<u><b>2,747,559</b></u>	<u><b>2,418,171</b></u>

**8. CONTRACT ASSETS**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Unbilled revenue	6,591,166	6,834,900
Contract costs	<u>1,093,712</u>	<u>1,252,630</u>
	<u><b>7,684,878</b></u>	<u><b>8,087,530</b></u>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***8. CONTRACT ASSETS (continued)**

Significant change in the contract assets balance in unbilled revenue were as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	<b>6,834,900</b>	6,848,989	6,848,989
Amounts recognised during the period / year	<b>31,148,962</b>	18,292,477	84,969,851
Amounts billed during the period / year	<b>(31,392,696)</b>	(18,324,632)	(84,983,940)
At the end of the period / year	<b><u>6,591,166</u></b>	<u>6,816,834</u>	<u>6,834,900</u>

**9. CASH AND CASH EQUIVALENTS**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Cash at bank	<b>55,565,542</b>	137,917,613
Term deposits having original maturity of less than three months	<b>16,500,000</b>	167,680,000
Cash in hand	<b>218,743</b>	113,386
	<b><u>72,284,285</u></b>	<u>305,710,999</u>

**10. LOANS AND BORROWINGS**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Murabaha term loan (a)	<b>138,957,603</b>	153,550,996
Murabaha term loan (b)	<b>200,709,013</b>	200,709,013
Equity bridge loan (EBL) (c)	<b>18,960,373</b>	18,960,373
Senior debt facility (d)	<b>20,566,481</b>	20,566,481
Equity bridge loan (EBL) (e)	<b>127,261,808</b>	127,261,808
Senior debt and VAT facility (f)	<b>256,904,946</b>	262,438,718
Sub-total	<b>763,360,224</b>	783,487,389
Less: transaction cost subject to amortization	<b>(12,572,068)</b>	(13,268,797)
Amortised cost of loans and borrowings	<b>750,788,156</b>	770,218,592
Less: current portion of loans and borrowings	<b>(65,278,446)</b>	(42,612,724)
Non-current portion of loans and borrowings	<b><u>685,509,710</u></b>	<u>727,605,868</u>

Accrued finance costs on loans and borrowings amount to SR 1 million (31 December 2025: SR 2.5 million).

Movement during the period was as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	<b>770,218,592</b>	501,407,840	501,407,840
Proceeds during the period / year	<b>11,436,258</b>	33,533,228	470,987,379
Payments during the period / year	<b>(31,563,423)</b>	(19,865,496)	(194,834,783)
Amortisation of upfront fees during the period / year	<b>696,729</b>	318,802	1,972,936
Upfront fees paid during the period / year	<b>-</b>	(7,139,311)	(9,314,780)
At the end of the period / year	<b><u>750,788,156</u></b>	<u>508,255,063</u>	<u>770,218,592</u>

Accrued finance costs on loans and borrowings amount to SR 1 million (31 December 2025: SR 2.5 million).

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***10. LOANS AND BORROWINGS (continued)**

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

- a. A Shariah-compliant financing agreement with Arab National Bank totaling SR 210 million and additional financing of SR 50 million to support the growth-related capital expenditures. The loan is secured by assignment of receivables, insurance proceeds, and the pledge over designated bank accounts, corporate guarantee from the Company covering six months DSRA requirement 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 31 March 2026, the Group is in compliance with the financial covenants stipulated.
- 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 (unutilized). 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 31 March 2026, the Group is in compliance with the financial covenants stipulated. To reduce its exposure to floating rate risk, the Group has entered into a profit rate swap.
- 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. To reduce its exposure to floating rate risk, the Group has entered into a profit rate swap.
- d. Bundled facilities amounting to SR 70,926,205 (utilized SR 20,566,481) 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 31 March 2026, the Group is in compliance with the financial covenants stipulated. To reduce its exposure to floating rate risk, the Group has entered into a profit rate swap.
- 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 facility amounting to USD 139,586,972 equivalent SAR 523,451,145 (utilized SR 245,468,688) secured from consortium of banks, VAT facility of SR 17,260,000 (utilized SR 11,436,258), and a working capital facility of USD 1,400,000 (unutilized). The Senior debt is repayable in unequal quarterly instalments till maturity date i.e., June 2051. To reduce its exposure to floating rate risk, the Group has entered into a profit rate swap.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***11. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES**

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
<b><i>Right-of-use assets</i></b>			
At the beginning of the period / year	60,444,677	9,557,886	9,557,886
Addition during the period / year	2,375,612	57,057,139	58,362,303
Depreciation charge for the period / year:			
Cost of revenue (note 15)	(243,148)	(222,897)	(953,101)
General and administration expenses (note 16)	(1,841,618)	(1,768,373)	(6,484,523)
	(2,084,766)	(1,991,270)	(7,437,624)
Derecognition during the period / year	(1,503,534)	-	(37,888)
At the end of the period / year	<b>59,231,989</b>	<b>64,623,755</b>	<b>60,444,677</b>
<b><i>Lease liabilities</i></b>			
At the beginning of the period / year	62,115,603	9,782,284	9,782,284
Addition during the period / year	2,375,612	57,057,139	58,362,303
Lease payments	(4,733,433)	(5,090,619)	(9,786,233)
Interest on lease liabilities	929,036	1,079,713	3,795,137
Derecognition during the period / year	(1,503,534)	-	(37,888)
At the end of the period / year	<b>59,183,284</b>	<b>62,828,517</b>	<b>62,115,603</b>
<b>Classified as:</b>			
<b>Non-current</b>	<b>54,072,832</b>	<b>58,645,006</b>	<b>56,753,925</b>
<b>Current</b>	<b>5,110,452</b>	<b>4,183,511</b>	<b>5,361,678</b>
	<b>59,183,284</b>	<b>62,828,517</b>	<b>62,115,603</b>

**12. DEFERRED REVENUE AND CONTRACT LIABILITIES**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
<b>Non-current portion</b>		
Deferred revenue (a)	7,929,184	8,020,010
Contract liabilities (b)	5,338,577	5,400,375
	<b>13,267,761</b>	<b>13,420,385</b>
<b>Current portion</b>		
Deferred revenue (a)	737,664	729,092
Deferred revenue (c)	1,880,340	2,931,868
	<b>2,618,004</b>	<b>3,660,960</b>

- (a) It 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. Amount adjustable in next 12 months has been classified under current liabilities.
- (b) It primarily relates to advance consideration received from customers, which would be adjusted over the period of contract.

	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
At the beginning of the period / year	5,400,375	4,777,830	4,777,830
Revenue recognised during the period / year	(519,431)	(235,547)	(1,207,985)
Billed during the period / year	457,633	457,633	1,830,531
At the end of the period / year	<b>5,338,577</b>	<b>4,999,916</b>	<b>5,400,376</b>

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- (c) It arises from recognition of development income by the Company to one of its associates, which is recognised as revenue progressively, based on percentage of construction completion, over the construction period.

**13. TRADE AND OTHER PAYABLES**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Accrued expenses	<b>163,536,906</b>	120,198,151
Trade payables	<b>41,405,120</b>	131,711,649
Employee accruals	<b>16,216,054</b>	16,120,065
Retention payable	<b>2,658,244</b>	1,567,428
Value added tax (“VAT”) payable	<b>1,628,992</b>	1,957,033
Due to a related party (note 17.2)	<b>85,343</b>	10,350
Advance from customer	<b>61,043</b>	60,696
	<b><u>225,591,702</u></b>	<b><u>271,625,372</u></b>

**14. REVENUE**

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
<i>Revenue recognised under service concession arrangements:</i>		
Water and wastewater services	<b>58,569,294</b>	61,248,706
Construction revenue – concession contract receivable (refer v)	<b>52,646,580</b>	56,881,233
Construction revenue – intangible assets	<b>2,639,429</b>	2,382,284
Project development and advisory services	<b>1,289,052</b>	52,272,905
Operation and maintenance revenue	<b>2,567,920</b>	2,387,061
	<b><u>117,712,275</u></b>	<b><u>175,172,189</u></b>

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.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***14. REVENUE (continued)**

- 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.
- 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 prior 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 period ended 31 March 2026***(Amount in Saudi Riyals)***15. COST OF REVENUE**

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Salaries and employee related costs	13,779,786	14,110,901
Royalty	10,958,954	10,258,400
Amortisation of intangible assets arising from service concession arrangements	8,028,630	11,517,303
Electricity	5,097,615	5,164,132
Sludge transportation and violated treatment	1,824,303	1,835,764
Maintenance service, spare parts and consumables	1,628,991	909,294
Business development expense	3,363,681	6,411,209
Chemicals	1,400,273	1,554,107
Insurance expense	389,390	393,511
Professional fees	288,174	253,209
Depreciation of right-of-use assets	599,822	222,897
Depreciation of property and equipment	217,456	258,582
Amortisation of intangible assets	-	345
Subcontract costs	544,500	494,300
Others	2,732,465	2,562,381
<b>Operation cost</b>	<b>50,854,040</b>	<b>55,946,335</b>
Construction cost (refer note 14 (v) above)	53,118,548	57,430,681
<b>Total cost of revenue</b>	<b>103,972,588</b>	<b>113,377,016</b>

**16. GENERAL AND ADMINISTRATION EXPENSES**

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Salaries and employee related costs	2,336,696	2,827,986
Professional fees	2,123,583	2,028,639
Depreciation of right-of-use assets	1,484,944	1,768,373
Depreciation of property and equipment	501,551	409,781
Advertising and training	422,074	-
Travel expenses	107,288	23,553
IT costs and other utilities	93,955	126,386
Amortisation of intangible assets	24,561	24,562
Others	793,348	430,690
	<b>7,888,000</b>	<b>7,639,970</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***17. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent the shareholders of the 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.

<b>Name of related party</b>	<b>Nature of relationship</b>
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:

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Short-term employee benefits	2,779,438	2,765,191
Long term employee benefits	209,796	192,844
Post-employment benefits	154,527	154,527
Directors' remuneration	1,027,750	1,027,750

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

<u>Nature of transaction</u>		<b>For the three-month period ended 31 March</b>	
		<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Al Haer Environmental Service Company	Providing project development and advisory services	252,617	-
	Expenses paid on behalf of the Company	1,585	-
Vision International Investment Company	Expenses paid on behalf of the Company	-	20,453,938
International Water Partners Company The Second (IWP 2)	Lease payments	-	958,942
	Providing services	-	150,705
	Expenses paid on behalf of IWP2	-	8,114

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

<b>Name of related party</b>	<b>Relationship</b>	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
Al Haer Environmental Service Company	Associate	325,144	70,942
International Water Partner 2	Associate	299,435	299,435
International Water Partners	Associate	6,000	6,000
		<b>630,579</b>	<b>376,377</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(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**

Name of related party	Relationship	31 March	31 December
		2026 (Unaudited)	2025 (Audited)
Arana Water Works Company	Associate	40,000	-
Arana Renewable Water Company	Associate	35,000	-
Vision Invest	Shareholder	10,343	52,185
		<b>85,343</b>	<b>52,185</b>

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

**18. CONTINGENCIES AND COMMITMENTS**

As of 31 March 2026, the Group had the following contingencies and commitments in the normal course of business:

	31 March	31 December
	2026 (Unaudited)	2025 (Audited)
Performance guarantees issued by banks	172,943,465	168,204,440
Bid bond	36,950,000	3,000,000
Letter of credit	-	106,425
Advance payment guarantee issued by banks	-	100,000
Capital commitments against uncompleted performance obligation	155,983,717	434,804,087

**Increased cost claims**

As of 31 March 2026, EPC contractors of certain subsidiaries and an associate raised claims aggregating SR 11.4 million in respect of additional costs arising from delays attributable to the Grantors under the relevant concession agreements. In accordance with the contractual Equivalent Project Relief (“EPR”) provisions, these amounts are claimable from the respective grantors. As of reporting date, the Group has no net exposure in respect of these claims and no provision has been recognised in these condensed consolidated interim financial statements.

**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 Board of Directors, who are 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.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month period ended 31 March 2026***(Amount in Saudi Riyals)***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.

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Profit attributable to ordinary shareholders	<b>2,630,373</b>	61,427,654
Weighted average number of ordinary shares (number of shares)	<b>160,925,543</b>	160,925,543
<b>Basic earnings per share</b>	<b>0.02</b>	0.38

**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.

	<b>For the three-month period ended 31 March</b>	
	<b>2026 (Unaudited)</b>	<b>2025 (Unaudited)</b>
Profit attributable to ordinary shareholders	<b>2,630,373</b>	61,427,654
Weighted average number of ordinary shares (number of shares)	<b>160,925,543</b>	160,925,543
<b>Basic earnings per share</b>	<b>0.02</b>	0.38

**21. 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 2025: 160,925,543 shares of SR 1 each), owned 60% by Vision International Investment Company, 9% by Al Rajhi Funds and remaining 30% by Others.

**Reserves**

Balance of reserve represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the Company's By-Laws prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the three-month period ended 31 March 2026**

*(Amount in Saudi Riyals)*

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**22. EVENTS AFTER THE REPORTING DATE**

On 28 Shawwal 1447H (corresponding to 16 April 2026), the Board of Directors recommended to distribute cash dividend for year ended 31 December 2025 of SR 0.15 per share amounting to SR 24.14 million.

Other than above, 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.

**23. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements were approved from Board of Directors on 20 Thul Qi'dah 1447H (corresponding to 07 May 2026).