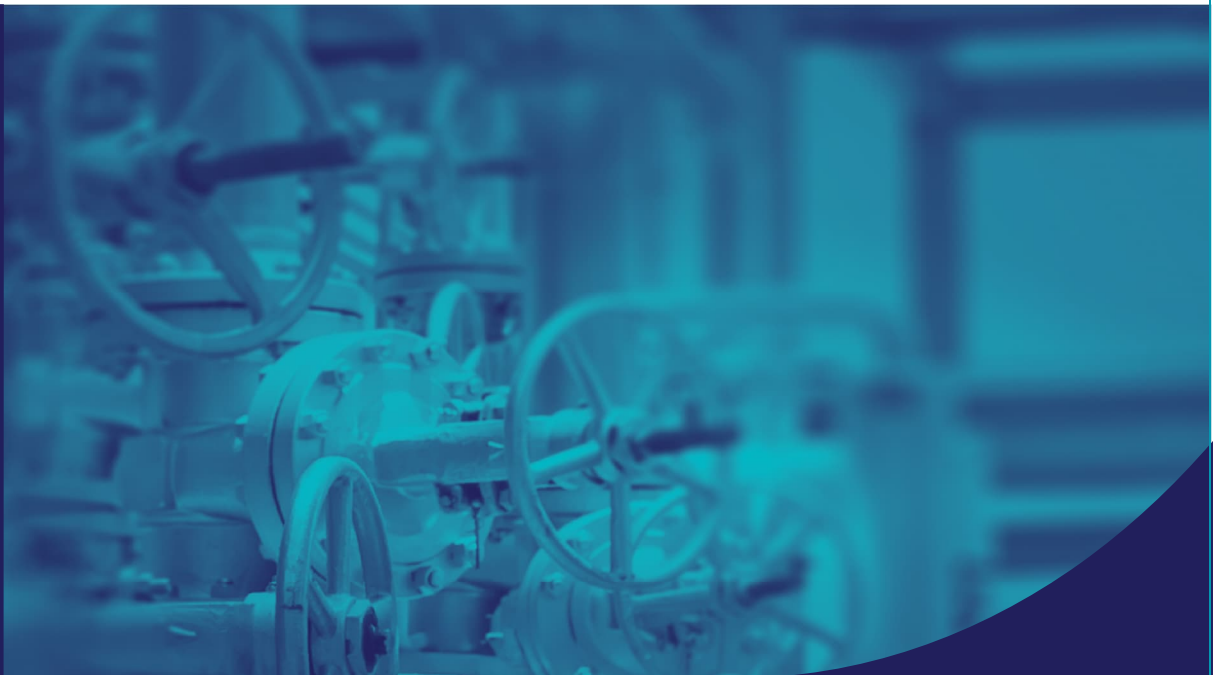




Miahona Company
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(Unaudited)
For the three-month and six-month periods ended 30 June 2026
together with the
Independent Auditor's Review Report

MIAHONA COMPANY**(A Saudi Joint Stock Company)****CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three-month and six-month periods ended 30 June 2026****INDEX****PAGE**

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**Shape the future
with confidence**

Ernst & Young Professional Services (Professional LLC)
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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 (A Saudi Joint Stock Company) (the “Company”) and its subsidiaries (collectively with the Company, referred to as the “Group”) at 30 June 2026, and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026 and the related condensed consolidated interim statements of changes in equity and cash flows for the six-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.

for Ernst & Young Professional Services



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

Riyadh: 23 Safar 1448H
(6 August 2026)



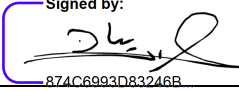
MIAHONA COMPANY

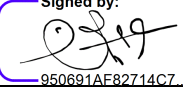
(A Saudi Joint Stock Company)

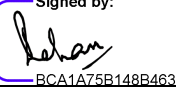
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**As at 30 June 2026***(Amounts in Saudi Riyals)*

		30 June 2026 (Unaudited)	31 December 2025 (Audited)
	<i>Notes</i>		
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		8,165,529	8,776,601
Intangible assets		222,970	164,016
Intangible assets arising from service concession arrangements	4	346,193,481	343,329,015
Right-of-use assets	11	57,361,571	60,444,677
Investments in equity accounted investees	5	23,718,394	23,327,658
Fair value of derivative financial instruments		7,976,073	968,628
Concession contract receivables	6	757,527,497	719,298,090
Advance against intangible assets arising from service concession arrangements		7,918,032	7,428,996
Total non-current assets		1,209,083,547	1,163,737,681
CURRENT ASSETS			
Concession contract receivables	6	83,346,191	34,586,026
Inventories		8,243,435	6,421,442
Prepayments and advances		38,510,450	61,317,090
Contract assets	8	7,422,628	8,087,530
Due from related parties	17	612,314	376,377
Trade and other receivables	7	64,173,544	49,411,936
Short-term deposits	9	148,200,000	55,000,000
Cash and cash equivalents	9	64,849,287	305,710,999
Total current assets		415,357,849	520,911,400
TOTAL ASSETS		1,624,441,396	1,684,649,081
EQUITY			
Share capital	21	160,925,543	160,925,543
Reserve	21	250,000	250,000
Cash flow hedge reserves		(4,685,998)	(18,841,785)
Retained earnings		313,696,745	332,359,710
Sub-total		470,186,290	474,693,468
Non-controlling interest		7,389,211	4,322,809
Total equity		477,575,501	479,016,277
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	10	724,918,379	727,605,868
Lease liabilities	11	53,411,064	56,753,925
Fair value of derivative financial instruments		58,151	798,600
Employees' defined benefit liabilities		24,456,972	26,505,650
Deferred revenue and contract liabilities	12	12,669,890	13,420,385
Provision against losses in an equity accounted investee	5	9,631,551	18,316,197
Other liabilities		28,867,413	29,150,608
Total non-current liabilities		854,013,420	872,551,233
CURRENT LIABILITIES			
Trade and other payables	13	203,227,310	271,625,372
Loans and borrowings – current portion	10	74,644,358	42,612,724
Lease liabilities – current portion	11	5,739,727	5,361,678
Other liabilities – current portion		2,353,839	2,353,839
Share-based payments		1,391,307	888,493
Deferred revenue and contract liabilities – current portion	12	1,939,633	3,660,960
Zakat provision		3,556,301	6,578,505
Total current liabilities		292,852,475	333,081,571
Total liabilities		1,146,865,895	1,205,632,804
TOTAL EQUITY AND LIABILITIES		1,624,441,396	1,684,649,081

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:

950691AF82714C7
Chief Executive Officer
Awaadh Al Otaibi

Signed by:

BCA1A75B148B463
Chief Financial Officer
Rehan Masood

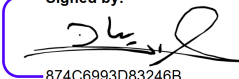
MIAHONA COMPANY

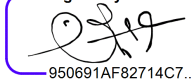
(A Saudi Joint Stock Company)

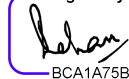
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS**For the three-month and six-month periods ended 30 June 2026***(Amounts in Saudi Riyals)*

	<i>Notes</i>	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Revenue	14	116,049,119	186,560,822	233,761,394	361,733,011
Cost of revenue	15	(103,298,685)	(165,898,698)	(207,271,273)	(279,275,714)
Gross profit		12,750,434	20,662,124	26,490,121	82,457,297
Other income	21	-	(11,678)	183,212	12,709,052
General and administrative expenses	16	(8,097,615)	(10,723,188)	(15,985,615)	(18,363,158)
Allowance for expected credit losses ("ECL") on trade receivables	7	-	-	-	(950,000)
Operating profit		4,652,819	9,927,258	10,687,718	75,853,191
Finance costs		(14,455,369)	(11,750,597)	(28,476,774)	(23,826,658)
Finance income on concession contract receivables		12,048,590	7,216,157	22,078,150	14,361,826
Finance income on short-term deposits		2,489,372	2,737,845	5,181,725	5,188,764
Share of profit from equity accounted investees	5	456,758	1,746,896	517,694	2,190,119
Profit before Zakat		5,192,170	9,877,559	9,988,513	73,767,242
Zakat expense		(1,833,279)	(1,515,551)	(3,521,040)	(3,555,506)
Profit for the period		3,358,891	8,362,008	6,467,473	70,211,736
Profit for the period after Zakat attributable to:					
Equity holders of the Group		2,845,493	7,351,586	5,475,866	68,779,240
Non-controlling interest		513,398	1,010,422	991,607	1,432,496
		3,358,891	8,362,008	6,467,473	70,211,736
Earnings per share					
Basic earnings per share		0.02	0.05	0.03	0.43
Diluted earnings per share		0.02	0.05	0.03	0.43

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:

 950691AF82714C7...
 Chief Executive Officer
 Awaadh Al Otaibi

Signed by:

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 Chief Financial Officer
 Rehan Masood

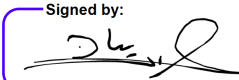
MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**For the three-month and six-month periods ended 30 June 2026***(Amounts in Saudi Riyals)*

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period after Zakat	3,358,891	8,362,008	6,467,473	70,211,736
<i>Item that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges – effective portion of changes in fair value	4,987,540	(708,353)	7,747,894	(12,177,819)
Equity accounted investees – share of OCI	3,705,775	(16,124,247)	8,482,688	(16,124,247)
Total other comprehensive (loss) income	8,693,315	(16,832,600)	16,230,582	(28,302,066)
Total comprehensive (loss) income for the period	12,052,206	(8,470,592)	22,698,055	41,909,670
Other comprehensive (loss) income for the period attributable to:				
Equity holders of the Group	7,325,829	(16,715,959)	14,155,787	(25,095,802)
Non-controlling interest	1,367,486	(116,641)	2,074,795	(3,206,264)
	8,693,315	(16,832,600)	16,230,582	(28,302,066)
Total comprehensive (loss) income for the period attributable to:				
Equity holders of the Group	10,171,322	(9,364,373)	19,631,653	43,683,438
Non-controlling interest	1,880,884	893,781	3,066,402	(1,773,768)
	12,052,206	(8,470,592)	22,698,055	41,909,670

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

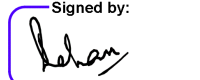
Signed by:

 874C6993D83246B...

Chairman
Khalid Abunayyan

Signed by:

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Chief Executive Officer
Awaadh Al Otaibi

Signed by:

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Chief Financial Officer
Rehan Masood

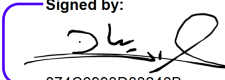
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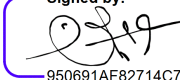
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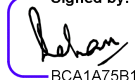
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**For the six-month period ended 30 June 2026***(Amounts in Saudi Riyals)*

	Share capital	Reserve	Cash flow hedge reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
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	-	-	-	68,779,240	68,779,240	1,432,496	70,211,736
Other comprehensive loss for the period	-	-	(25,095,802)	-	(25,095,802)	(3,206,264)	(28,302,066)
Total comprehensive (loss) income for the period	-	-	(25,095,802)	68,779,240	43,683,438	(1,773,768)	41,909,670
Dividends (note 22)	-	-	-	(16,092,554)	(16,092,554)	-	(16,092,554)
As at 30 June 2025 (Unaudited)	<u>160,925,543</u>	<u>250,000</u>	<u>(18,481,937)</u>	<u>327,371,760</u>	<u>470,065,366</u>	<u>1,716,782</u>	<u>471,782,148</u>
As at 31 December 2025 (Audited)	160,925,543	250,000	(18,841,785)	332,359,710	474,693,468	4,322,809	479,016,277
Share capital of non-controlling interest	-	-	-	-	-	-	-
Profit for the period	-	-	-	5,475,866	5,475,866	991,607	6,467,473
Other comprehensive income for the period	-	-	14,155,787	-	14,155,787	2,074,795	16,230,582
Total comprehensive income for the period	-	-	14,155,787	5,475,866	19,631,653	3,066,402	22,698,055
Dividends (note 22)	-	-	-	(24,138,831)	(24,138,831)	-	(24,138,831)
As at 30 June 2026 (Unaudited)	<u>160,925,543</u>	<u>250,000</u>	<u>(4,685,998)</u>	<u>313,696,745</u>	<u>470,186,290</u>	<u>7,389,211</u>	<u>477,575,501</u>

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:

 950691AF82714C7...
 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 CASH FLOWS**For the six-month period ended 30 June 2026***(Amounts in Saudi Riyals)*

		30 June 2026	30 June 2025
	<i>Note</i>	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:			
Profit before Zakat		9,988,513	73,767,242
<i>Adjustments to reconcile profit before zakat to net cashflows:</i>			
Depreciation of property and equipment		1,607,636	1,272,291
Amortization of intangible assets		58,948	49,633
Depreciation of right-of-use assets	11	3,920,262	3,514,823
Amortization of intangible assets arising from service concession arrangements	4	16,168,892	18,884,784
Concession contract receivables billed during the period	6	17,213,381	17,367,645
Finance cost on lease liabilities	11	1,843,242	2,018,295
Finance costs on loans and borrowings		25,345,633	20,933,934
Share of profit from equity accounted investees	5	(517,694)	(2,190,119)
Allowance for ECL on financial assets	7	-	950,000
Provision for employees' defined benefit liabilities		1,968,065	695,386
Amortization of upfront fees on loans and borrowings	10	1,287,899	874,429
Finance income on short-term deposits		(5,181,725)	(5,188,764)
Finance income on concession contract receivables	6	(22,078,150)	(14,361,826)
Derecognition of right-of-use assets and lease liabilities		(86,707)	-
		51,538,195	118,587,753
Changes in operating assets and liabilities:			
Inventories		(1,821,993)	(147,812)
Prepayments and advances		(338,341)	(13,504,288)
Contract assets		664,902	(5,811,434)
Due from related parties		(235,937)	7,021,680
Trade and other receivables		(14,761,608)	(33,074,205)
Trade and other payables		2,488,842	19,100,521
Other liabilities, share based payment, deferred revenue and contract liabilities		(2,252,203)	5,073,822
		35,281,857	97,246,037
Finance income on short-term deposits received		4,328,154	5,207,782
Employees' defined benefit liabilities paid		(4,016,743)	-
Finance costs paid on loans and borrowings		(26,625,986)	(25,812,118)
Zakat paid		(6,543,244)	(6,083,283)
Net cash flows (used in) generated from operating activities		2,424,038	70,558,418
INVESTING ACTIVITIES			
Acquisition of property and equipment		(996,564)	(4,510,525)
Acquisition of intangible assets		(117,902)	-
Acquisition of intangible assets arising from service concession arrangements	4	(19,033,358)	(5,206,829)
Movement in payables of capital creditors		(69,606,551)	50,831,300
Additions to concession contract receivables	6	(82,124,803)	(170,044,802)
Movement in Prepayments		23,509,516	-
Placement of term deposits		65,000,000	(94,000,000)
Proceeds of term deposits		(158,200,000)	125,000,000
Acquisition of investment in equity accounted investees		(75,000)	-
Net cash flows used in investing activities		(241,644,662)	(97,930,856)

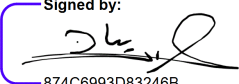
MIAHONA COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(continued)**For the six-month period ended 30 June 2026***(Amounts in Saudi Riyals)*

	<i>Note</i>	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
FINANCING ACTIVITIES			
Repayment of loan and borrowings	10	(36,268,492)	(25,084,552)
Proceeds from loans and borrowings	10	64,324,738	139,080,983
Upfront fees paid on loans and borrowings	10	-	(7,139,211)
Payment of principal portion of lease liabilities	11	(3,715,261)	(3,358,791)
Payment of finance costs on lease liabilities	11	(1,843,242)	(2,018,295)
Dividends paid		(24,138,831)	-
Acquisition of non-controlling interest		-	45,000
Net cash flows (used in) generated from financing activities		(1,641,088)	101,525,134
Net (decrease) increase in cash and cash equivalents during the period			
		(240,861,712)	74,152,696
Cash and cash equivalent at the beginning of the period		305,710,999	144,203,173
Cash and cash equivalents at the end of the period		64,849,287	218,355,869
Significant non-cash transactions:			
Additions to right-of-use assets and lease liabilities		2,375,612	57,723,921
Derecognition of right-of-use assets and lease liabilities		1,590,241	(37,888)
Derecognition of right-of-use assets and lease liabilities		34,922	-

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

Signed by:

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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’s national address is Building number 3036, Saud Bin Abdullah Jalawi Street, Narjis View, 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 30 June 2026	As at 31 December 2025
<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%	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%
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%


1. REPORTING ENTITY (CONTINUED)

Name	Activities	Country of incorporation	Percentage of ownership (effective)	
			As at 30 June 2026	As at 31 December 2025
<u>Subsidiaries</u>				
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 SWESC 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%
<u>Associates</u>				
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%
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%	-

**1. REPORTING ENTITY (CONTINUED)**

- (a) ICDOC is engaged in a service concession arrangement under Rehabilitate, Operate and Transfer (“ROT”) model 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) 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. 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.
- (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 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.
- (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.



1. REPORTING ENTITY (CONTINUED)

- (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 m³/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 activities for the Company

- a) 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.
- b) During the period, the Company entered into a Sale and Purchase Agreement (“SPA”) to acquire 100% Equity Stake in Sha’s Water Services Limited (A Limited Liability Company) (the “investee”) incorporated in Kingdom of Saudi Arabia, including relevant stake in its affiliates. The transaction is currently valued at SR 95.01 million, which could increase up to maximum of SR 102.71 million subject to and conditional on achievement of specific financial targets, which is under validation as of reporting date. The agreement includes the terms, conditions, and fundamental warranties provided by each party in accordance with market practice, and the completion of the transaction is subject to obtaining all relevant regulatory approvals from General Authority for Competition (“GAC”). Hence, the control of the investee is not transferred to the Company as of reporting date.
- c) During the period, the Company decided to buy-back the Company’s shares, up to a maximum of SR 1 million ordinary shares, for the purpose of allocating them to the Employee Share Incentive Plan. The transaction is expected to be finalized by December 2027.
- d) During the period, the Company signed of a Public-Private Partnership Agreement (“PPPA”) with Uzsuvtaminot Joint Stock Company (registered in Republic of Uzbekistan) in relation to 25 years contract of Operation and Maintenance of Zomin Water Treatment Plant having 50,000 m³/day treatment capacity, located in Jizzakh region, Republic of Uzbekistan. The agreement is subject to the issuance of the project-related Governmental Decree in accordance with applicable legislation, in the Republic of Uzbekistan. The total contract value is estimated at SR 395 million. Final contract value is subject to the issuance of the aforementioned Governmental Decree.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group for the three-month and six-month periods ended 30 June 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. BASIS OF PRESENTATION (CONTINUED)

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 and six-month periods ended 30 June 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.

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 adopted 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.

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.



3. CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)

3.1 Significant accounting judgements, estimates and assumptions (continued)

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;
- 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.

Standard, interpretation, amendments	Effective date
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.
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into 5 defined categories based on the entity's main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

a) Structure of the Statement of Profit or Loss

The standard is expected to result in changes to the presentation of certain line items and subtotals in the statement of profit or loss namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the Group's preliminary assessment and the nature of its main business activities, performed to-date, the Group expects changes to the current structure of the statement of profit or loss to result from the following:



3. CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)

3.2 Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

a) Structure of the Statement of Profit or Loss (continued)

- Interest income on concession contract receivables, which is currently presented separately on the face of the statement of profit and loss post operating profit, will be classified in the operating category which will have an impact on the current reported operating profit.
- Other interest income and expenses are currently presented as finance income and finance costs separately on the face of the statement of profit and loss separately post the operating profit subtotal. IFRS 18 provides specific guidance on the interest income and expenses to be classified in investing and financing categories respectively.
- Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs.
- Gains and losses on certain designated cash flow hedging instruments are currently included in finance costs and presented as finance costs. Under IFRS 18, gains and losses on designated hedging instruments are required to be classified in the same category as the income and expenses affected by the hedged risks. The Group has determined that gains or losses on these hedging instruments will continue to be classified in the financing categories.

b) Aggregation and disaggregation

The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary as it provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes. The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes. The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

c) Management-defined performance measures

Management-defined performance measures ("MPMs") are subtotals of income and expenses that an entity uses in public communications outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures. The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The Group is in process to determine which public communications (press releases, MD&A, investor presentations, earnings release, etc.) should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year / period before Zakat as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.


4. INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
<u>Cost:</u>			
At the beginning of the period / year	816,095,323	786,018,084	786,018,084
Additions during the period / year	19,033,358	5,206,829	30,266,947
Disposals during the period / year	-	-	(189,708)
At the end of the period / year	835,128,681	791,224,913	816,095,323
<u>Accumulated amortisation:</u>			
At the beginning of the period / year	472,766,308	437,399,985	437,399,985
Charge for the period / year	16,168,892	18,884,784	35,366,323
At the end of the period / year	488,935,200	456,284,769	472,766,308
<u>Net book value:</u>			
At the end of the period / year	346,193,481	334,940,144	343,329,015

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; and
- the cost of the rehabilitation of water utilities and wastewater treatment facilities for reverse osmosis plant at the second industrial city in Dammam.

Additions represent enhancements to water and wastewater treatment station and networks. Included in additions during the period are finance costs capitalised amounting to SR 539,203 (30 June 2025: SR 306,103). The rate used for finance costs capitalisation is 7.49 % per annum (30 June 2025: 7.98%).

5. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

	Ownership %	30 June 2026 (Unaudited)	31 December 2025 (Audited)
International Water Partners Company	40	15,473,545	15,197,875
International Water Partners Company 2	35	8,169,849	8,129,783
Al Haer Environmental Services (Al Haer)	45	(9,631,551)	(18,316,197)
Arana Renewable Water Company	35	35,000	-
Arana Water Works Company	40	40,000	-
		14,086,843	5,011,461
<i>Presented in condensed consolidated interim statement of financial position as:</i>			
Investment in equity accounted investees		23,718,394	23,327,658
Provision against losses in an equity accounted investee		(9,631,551)	(18,316,197)

Movement in investments in equity accounted investees is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
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	517,694	2,190,119	4,599,925
Share of OCI for the period / year	8,482,688	(16,124,247)	(18,675,523)
At the end of the period / year	14,086,843	5,152,931	5,011,461



6. CONCESSION CONTRACT RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Concession contract receivables <i>classified as:</i>		
- Non-current	757,527,497	719,298,090
- Current	83,346,191	34,586,026
	<u>840,873,688</u>	<u>753,884,116</u>

Movement in concession contract receivables is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	753,974,379	396,096,287	396,096,287
Additions for the period / year (<i>refer note 6.1 and 6.2</i>)	82,124,803	170,044,802	359,525,163
Finance income for the period / year	22,078,150	14,361,826	32,779,689
Amount billed for the period / year	<u>(17,213,381)</u>	<u>(17,367,645)</u>	<u>(34,426,760)</u>
	840,963,951	563,135,270	753,974,379
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>840,873,688</u>	<u>562,989,183</u>	<u>753,884,116</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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	64,323,991	50,102,354
Less: allowance for expected credit losses	<u>(2,418,171)</u>	<u>(2,418,171)</u>
	61,905,820	47,684,183
Staff and other receivables	<u>2,267,724</u>	<u>1,727,753</u>
	<u>64,173,544</u>	<u>49,411,936</u>

Movement of allowance for expected credit losses is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
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>(3,913,909)</u>	<u>(3,913,909)</u>
At the end of the period / year	<u>2,418,171</u>	<u>2,747,559</u>	<u>2,418,171</u>

MIAHONA COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(continued)****For the three-month and six-month periods ended 30 June 2026***(Amount in Saudi Riyals)***8. CONTRACT ASSETS**

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Unbilled revenue	6,103,990	6,834,900
Contract costs	1,318,638	1,252,630
	<u>7,422,628</u>	<u>8,087,530</u>

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

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	6,834,900	6,848,989	6,848,989
Amounts recognised during the period / year	36,389,794	44,232,154	84,969,851
Amounts billed during the period / year	(37,120,704)	(38,420,720)	(84,983,940)
At the end of the period / year	<u>6,103,990</u>	<u>12,660,423</u>	<u>6,834,900</u>

9. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at bank	42,838,462	137,917,613
Term deposits having original maturity of less than three months	21,800,000	167,680,000
Cash in hand	210,825	113,386
	<u>64,849,287</u>	<u>305,710,999</u>

Short-term deposits are deposited with Banks for varying periods between one day and six months, depending on immediate cash requirements of the Company and earns interest at a floating rate based on daily bank deposit rate. Deposit with maturity less than three months are presented under cash and cash equivalents, while others are presented as a separate line item in condensed consolidated interim statement of financial position. Effective interest rate ranges from 4.5% to 5.8%.

10. LOANS AND BORROWINGS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Murabaha term loan (a)	138,957,604	153,550,996
Murabaha term loan (b)	196,003,944	200,709,013
Equity bridge loan ("EBL") (c)	18,960,373	18,960,373
Senior debt facility (d)	32,090,332	20,566,481
Equity bridge loan ("EBL") (e)	127,261,808	127,261,808
Senior debt and VAT facility (f)	298,269,574	262,438,718
Sub-total	<u>811,543,635</u>	<u>783,487,389</u>
Less: upfront fees subject to amortization	<u>(11,980,898)</u>	<u>(13,268,797)</u>
Amortised cost of loans and borrowings	<u>799,562,737</u>	<u>770,218,592</u>
Less: current portion of loans and borrowings	<u>(74,644,358)</u>	<u>(42,612,724)</u>
Non-current portion of loans and borrowings	<u>724,918,379</u>	<u>727,605,868</u>

Accrued finance costs on loans and borrowings amount to SR 1.2 million (31 December 2025: SR 2.5 million).


10. LOANS AND BORROWINGS (continued)

Movement during the period was as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	770,218,592	501,407,840	501,407,840
Proceeds during the period / year	64,324,738	139,080,983	470,987,379
Payments during the period / year	(36,268,492)	(25,084,552)	(194,834,783)
Amortisation of upfront fees during the period / year	1,287,899	874,429	1,972,936
Upfront fees paid during the period / year	-	(7,139,211)	(9,314,780)
At the end of the period / year	799,562,737	609,139,489	770,218,592

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

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

- 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 30 June 2026, the Group is in compliance with the financial covenants stipulated.
- 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 30 June 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.
- 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.
- Bundled facilities amounting to SR 70,926,205 (utilized SR 32,090,332) 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 June 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.
- 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.
- Istisna-Ijara facility amounting to USD 139,586,972 equivalent SR 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.


11. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
<u>Right-of-use assets</u>			
At the beginning of the period / year	60,444,677	9,782,284	9,557,886
Addition during the period / year	2,375,612	57,723,921	58,362,303
Modification during the period / year	(34,922)	-	-
Depreciation charge for the period / year:			
Cost of revenue (note 15)	(959,150)	(444,132)	(953,101)
General and administration expenses (note 16)	(2,961,112)	(3,070,691)	(6,484,523)
	(3,920,262)	(3,514,823)	(7,437,624)
Derecognition during the period / year	(1,503,534)	(37,888)	(37,888)
At the end of the period / year	57,361,571	64,109,526	60,444,677
<u>Lease liabilities</u>			
At the beginning of the period / year	62,115,603	9,782,284	9,782,284
Addition during the period / year	2,375,612	57,723,921	58,362,303
Modification during the period / year	(34,922)	-	-
Lease payments	(5,558,503)	(5,377,086)	(9,786,233)
Interest on lease liabilities	1,843,242	2,018,295	3,795,137
Derecognition during the period / year	(1,590,241)	(37,888)	(37,888)
At the end of the period / year	59,150,791	64,109,526	62,115,603
Classified as:			
Non-current	53,411,064	59,780,924	56,753,925
Current	5,739,727	4,328,602	5,361,678
	59,150,791	64,109,526	62,115,603

12. DEFERRED REVENUE AND CONTRACT LIABILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Non-current portion		
Deferred revenue (a)	8,290,130	8,020,010
Contract liabilities (b)	4,379,760	5,400,375
	12,669,890	13,420,385
Current portion		
Deferred revenue (a)	768,816	729,092
Deferred revenue (c)	1,170,817	2,931,868
	1,939,633	3,660,960

- (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.

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	5,400,375	4,777,830	4,777,830
Revenue recognised during the period / year	(1,935,880)	(1,010,614)	(1,207,986)
Billed during the period / year	915,265	915,265	1,830,531
At the end of the period / year	4,379,760	4,682,481	5,400,375


12. DEFERRED REVENUE AND CONTRACT LIABILITIES (continued)

- (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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accrued expenses	141,900,880	117,674,011
Trade payables	37,611,898	131,711,649
Employee accruals	16,267,122	16,120,065
Retention payable	3,637,202	1,567,428
Value added tax ("VAT") payable	2,414,845	1,957,033
Accrued finance costs	1,243,787	2,524,140
Due to a related party (note 17.2)	85,343	10,343
Advance from customer	66,233	60,703
	203,227,310	271,625,372

14. REVENUE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Service concession arrangements:				
<i>Water and wastewater services</i>	61,979,647	62,817,537	120,548,941	124,066,243
<i>Construction revenue – concession contract receivable (refer v)</i>	29,478,223	113,163,568	82,124,803	170,044,801
<i>Construction revenue – intangible assets</i>	16,629,899	2,824,546	19,269,328	5,206,830
Operation and maintenance revenue	7,013,411	2,129,517	9,581,331	4,516,578
Project development and advisory services	947,939	5,625,654	2,236,991	57,898,559
	116,049,119	186,560,822	233,761,394	361,733,011

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.



14. REVENUE (continued)

- ii. **Dammam Industrial City (“DIC Project”) and Jeddah Industrial City (“JIC Project”):** 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.



15. COST OF REVENUE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Salaries and employee related costs	15,432,243	14,962,642	29,212,029	29,073,543
Royalty	11,767,035	9,936,762	22,725,989	16,347,971
Amortization of intangible assets arising from service concession arrangements	8,140,262	7,367,481	16,168,892	18,884,784
Business development expense	8,430,975	7,416,537	11,794,656	17,674,937
Electricity	4,983,939	4,456,225	10,081,554	9,620,357
Sludge transportation and violated treatment	2,365,423	1,970,664	4,189,726	3,806,428
Maintenance service, spare parts and consumables	1,422,403	1,452,044	3,051,394	2,361,338
Chemicals	1,435,892	1,535,544	2,836,165	3,089,651
Subcontract costs	683,894	1,112,600	1,228,394	1,606,900
Depreciation of right-of-use assets	359,328	221,235	959,150	444,132
Insurance expense	566,243	393,510	955,633	787,021
Professional fees	365,701	564,087	653,875	817,296
Depreciation of property and equipment	225,556	215,135	443,012	473,717
Amortization of intangible assets	-	165	-	510
Others	2,110,983	1,741,981	4,843,448	4,304,362
Operation cost	58,289,877	53,346,612	109,143,917	109,292,947
Construction cost (refer note 14 (v) above)	45,008,808	112,552,086	98,127,356	169,982,767
Total cost of revenue	103,298,685	165,898,698	207,271,273	279,275,714

16. GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Salaries and employee related costs	2,853,189	3,337,470	5,189,885	6,165,456
Professional fees	1,612,632	2,399,974	3,736,215	4,428,613
Depreciation of right-of-use assets	1,476,168	1,302,318	2,961,112	3,070,691
Depreciation of property and equipment	663,073	388,793	1,164,624	798,574
Advertising and training	358,431	325,532	780,505	325,532
Travel expenses	112,133	131,277	219,421	154,830
IT cost and other utilities	119,681	264,661	213,636	391,047
Amortization of intangible assets	34,387	24,562	58,948	49,123
Provision for old office furniture	-	653,738	-	652,738
Subscription	142,836	366,149	406,993	497,283
Training and seminars	78,450	13,000	195,537	27,081
Others	646,635	1,515,714	1,058,739	1,802,190
	8,097,615	10,723,188	15,985,615	18,363,158


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.

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:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Short-term employee benefits	2,907,567	2,829,131	5,687,005	5,594,322
Long term employee benefits	293,018	916,004	502,814	1,108,848
Post-employment benefits	487,473	544,605	642,000	699,132
Directors' remuneration	1,027,750	1,027,750	2,055,500	2,055,500

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

<u>Nature of transaction</u>		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Associates			
Al Haer Environmental Service Company	Providing project development and advisory services	505,233	59,288,630
	Expenses paid on behalf of the Company	59,234	-
	Employee Shared Salaries	(51,505)	-
Arana Water Works Company	Issuance of capital	40,000	-
Arana Renewable Water Company	Issuance of capital	35,000	-
International Water Partners	Providing services	-	37,482
Company The Second (IWP 2)	Expenses paid on behalf of IWP2	-	2,233

17.2 Related party balances
17.2.1 Due from related parties

Name of related party	Relationship	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Al Haer Environmental Service Company	Associate	306,879	70,942
International Water Partner 2	Associate	299,435	299,435
International Water Partners	Associate	6,000	6,000
		612,314	376,377


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	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Arana Water Works Company	Associate	40,000	-
Arana Renewable Water Company	Associate	35,000	-
Vision Invest	Shareholder	10,343	10,343
		85,343	10,343

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

18. CONTINGENCIES AND COMMITMENTS

As of 30 June 2026 and 31 December 2025, the Group had the following contingencies and commitments in the normal course of business:

	30 June 2026 (Unaudited)	31 December 2025 (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	1,840,340	100,000
Capital commitments against uncompleted performance obligation	116,037,016	434,804,087

Increased cost claims

As of 30 June 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.



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 Company by the weighted average number of ordinary shares issued and outstanding at the end of the period.

<u>Particulars</u>	<u>For the three-month period ended 30 June</u>		<u>For the six-month period ended 30 June</u>	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Profit attributable to ordinary shareholders	2,845,493	7,351,586	5,475,866	68,779,240
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	0.02	0.05	0.03	0.43

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 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.

<u>Particulars</u>	<u>For the three-month period ended 30 June</u>		<u>For the six-month period ended 30 June</u>	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Profit attributable to ordinary shareholders	2,845,493	7,351,586	5,475,866	68,779,240
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	0.02	0.05	0.03	0.43

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.

Dividends

Period ended 30 June 2026

On 28 Shawwal 1447H (corresponding to 16 April 2026), the shareholders resolved to distribute cash dividend of SR 0.15 per share for the year ended 31 December 2025, amounting to SR 24.13 million. The amount has been paid during the period.

Period ended 30 June 2025

On 1 Muharram 1447H (corresponding to 29 May 2025), the shareholders resolved to distribute cash dividend of SR 0.1 per share for the year ended 31 December 2024, amounting to SR 16.09 million. The amount was paid subsequent to period-end.



22. 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.

23. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved from Board of Directors on 23 Safar 1448H (corresponding to 6 August 2026).