ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY
AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
together with
INDEPENDENT AUDITOR'S REVIEW REPORT
For the three-month and nine-month periods ended 30 September 2026

Index **Pages**

Independent auditor's review report	1-2
Condensed consolidated statement of financial position	3
Condensed consolidated statement of profit or loss and other comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial statements	8 - 31

KPMG Professional Services Company
Roshn Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholders of Alkhorayef Water and Power Technologies Company

Introduction

We have reviewed the accompanying 30 September 2026 condensed consolidated interim financial statements of **Alkhorayef Water and Power Technologies Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 September 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2026;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2026;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2026; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

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

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR 110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مقفلة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية خاصة محدودة بالضمان. جميع الحقوق محفوظة.

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

To the Shareholders of Alkhorayef Water and Power Technologies Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2026 condensed consolidated interim financial statements of **Alkhorayef Water and Power Technologies Company** and its subsidiaries ("the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Fahad Mubark Al Dossari
License No: 469

Riyadh, 30 Jumada Alawwal 1448H
Corresponding to: 10 November 2026

Docusign Envelope ID: 46728382-9D7E-8C15-82D8-37F4A990D431

ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY
AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 30 September 2026
(All amounts are in Saudi Riyal)

	Notes	30 September 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current Assets			
Property and equipment	7	**357,253,095**	332,774,126
Intangible assets		**1,702,179**	1,905,816
Right-of-use assets		**12,660,157**	1,400,344
Equity accounted investees	5	**105,252,275**	3,278,162
Derivative financial instrument	8	**19,691,487**	-
Concession contract receivables	6	**1,133,007,852**	821,943,813
Capital advances		**2,622,479**	100,297
Total non-current assets		**1,632,189,524**	1,161,402,558
Current assets			
Concession contract receivables	6	**63,273,037**	21,428,062
Inventories		**95,989,472**	112,740,939
Prepayments and other assets	9	**240,279,661**	200,989,285
Contract assets	10	**712,126,326**	493,994,527
Trade and other receivables	11	**538,403,111**	826,380,967
Cash and cash equivalents	12	**271,357,310**	257,818,897
Total current assets		**1,921,428,917**	1,913,352,677
TOTAL ASSETS		**3,553,618,441**	3,074,755,235
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**350,000,000**	350,000,000
Statutory reserve		**46,474,071**	46,474,071
Retained earnings		**701,119,728**	507,763,270
Actuarial valuation reserve		**8,162,903**	8,162,903
Cash flow hedge reserve	8	**19,691,487**	-
Other reserves of equity-accounted investees	5	**105,160,218**	3,309,256
Total equity		**1,230,608,407**	915,709,500
Non-current liabilities			
Employees' defined benefit liabilities		**81,126,186**	70,959,023
Lease liabilities		**5,232,518**	400,882
Term loans	14	**1,186,415,779**	742,373,458
Total non-current liabilities		**1,272,774,483**	813,733,363
Current liabilities			
Trade payables, accruals and other liabilities	15	**796,666,317**	1,012,279,289
Provisions	16	**71,630,084**	72,822,118
Zakat payable	21	**18,711,592**	17,361,822
Lease liabilities		**4,066,879**	679,998
Term loans	14	**159,160,679**	242,169,145
Total current liabilities		**1,050,235,551**	1,345,312,372
Total liabilities		**2,323,010,034**	2,159,045,735
TOTAL EQUITY AND LIABILITIES		**3,553,618,441**	3,074,755,235

The attached notes from 1 to 27 form an integral part of these condensed consolidated interim financial statements.

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

Chairman of Board of Directors	Chief Executive Officer	Chief Financial Officer
	Rami M. Moussilli	Rahul Rao

Docusign Envelope ID: 46728382-9D7E-8C15-82D8-37F4A990D431

ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY
AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2026
(All amounts are in Saudi Riyal)

		For the three-month period ended 30 September (Unaudited)		*For the nine-month period ended 30 September (Unaudited)*	
		2026	*2025*	***2026***	*2025*
PROFIT OR LOSS					
Revenue	19	**530,580,494**	601,648,521	**1,559,104,430**	1,878,675,332
Cost of revenue	20	**(412,113,823)**	(471,818,306)	**(1,207,263,128)**	(1,529,236,605)
Gross profit		**118,466,671**	129,830,215	**351,841,302**	349,438,727
Other income, net		**2,338,906**	3,301,924	**3,538,872**	8,611,134
Selling and distribution expenses		**(607,691)**	(1,592,417)	**(3,596,708)**	(2,939,896)
General and administrative expenses		**(35,653,770)**	(48,398,866)	**(111,818,835)**	(129,797,069)
Expected credit losses on financial guarantee liability		-	-	**(976,014)**	-
Impairment loss on trade receivables and contract assets	10&11	**(4,188,690)**	(3,971,460)	**(4,720,674)**	(1,440,108)
Operating profit		**80,355,426**	79,169,396	**234,267,943**	223,872,788
Finance costs		**(24,520,768)**	(14,041,659)	**(59,459,162)**	(45,736,811)
Finance income		**17,841,256**	11,905,580	**45,957,712**	33,099,374
Share of loss from equity accounted investees	5	**(1,489,581)**	(2,239,077)	**(8,621,904)**	(9,011,826)
Profit before zakat		**72,186,333**	74,794,240	**212,144,589**	202,223,525
Zakat expense	21	**(6,953,764)**	(5,208,848)	**(18,788,131)**	(12,828,540)
Net profit for the period		**65,232,569**	69,585,392	**193,356,458**	189,394,985
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be reclassified subsequently to profit or loss:					
Cash flow hedge - Effective portion of changes in fair value		**18,251,474**	-	**19,691,487**	-
Share of other comprehensive income / (loss) from equity accounted investees	5	**84,863,202**	(4,625,847)	**101,850,962**	(23,495,519)
Other comprehensive income / (loss)		**103,114,676**	(4,625,847)	**121,542,449**	(23,495,519)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**168,347,245**	64,959,545	**314,898,907**	165,899,466
Earnings per share (EPS):					
Basic and diluted earning per share	17	**1.86**	1.99	**5.52**	5.41

The attached notes from 1 to 27 form an integral part of these condensed consolidated interim financial statements.

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

Chairman of Board of Directors	Chief Executive Officer	Chief Financial Officer
	Rami M. Moussilli	Rahul Rao

Docusign Envelope ID: 46728382-9D7E-8C15-82D8-37F4A990D431

	Share capital	Statutory reserve	Retained earnings	Actuarial reserve	Cash flow hedge reserve	Other reserves of equity-accounted investees	Total
As at 1 January 2025 (Audited)	350,000,000	46,474,071	365,768,847	6,660,353	-	7,339,581	776,242,852
Profit for the period (Unaudited)	-	-	189,394,985	-	-	-	189,394,985
Other comprehensive loss (Unaudited)	-	-	-	-	-	(23,495,519)	(23,495,519)
Total comprehensive income / (loss)(Unaudited)	-	-	189,394,985	-	-	(23,495,519)	165,899,466
Dividends (Unaudited)	-	-	(52,500,000)	-		-	(52,500,000)
As at 30 September 2025 (Unaudited)	350,000,000	46,474,071	502,663,832	6,660,353	-	(16,155,938)	889,642,318
As at 1 January 2026 (Audited)	**350,000,000**	**46,474,071**	**507,763,270**	**8,162,903**	-	**3,309,256**	**915,709,500**
Profit for the period (unaudited)	-	-	**193,356,458**	-	-	-	**193,356,458**
Other comprehensive income (unaudited)	-	-	-	-	**19,691,487**	**101,850,962**	**121,542,449**
Total comprehensive income (unaudited)	-	-	**193,356,458**	-	**19,691,487**	**101,850,962**	**314,898,907**
As at 30 September 2026 (Unaudited)	**350,000,000**	**46,474,071**	**701,119,728**	**8,162,903**	**19,691,487**	**105,160,218**	**1,230,608,407**

The attached notes from 1 to 27 form an integral part of these condensed consolidated interim financial statements.

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

Chairman of Board of Directors	Chief Executive Officer	Chief Financial Officer
	Rami M. Moussilli	Rahul Rao

Docusign Envelope ID: 46728382-9D7E-8C15-82D8-37F4A990D431

ALKHORAYEF WATER AND POWER TECHNOLOGIES COMPANY
AND ITS SUBSIDIARIES
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2026
(All amounts are in Saudi Riyal)

	Note	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)
OPERATING ACTIVITIES			
Profit for the period before zakat		**212,144,589**	202,223,525
Adjustments:			
Depreciation of property and equipment	7	**50,614,978**	46,713,682
Depreciation of right-of-use assets		**1,240,917**	1,388,966
Amortization		**203,637**	203,636
Gain on sale of property and equipment		**(445,827)**	(486,826)
Provision for (reversal of) expected credit losses	10 & 11	**4,720,674**	1,440,108
NRV adjustment to inventories		**176,000**	-
Employees' end of service benefits- current service cost		**16,434,567**	13,176,395
Provisions	16	**1,890,181**	35,315,567
Finance income		**(45,957,712)**	(33,099,374)
Finance costs		**59,459,162**	45,736,811
Share of loss from equity accounted investees	5	**8,621,904**	9,011,826
		309,103,070	321,624,316
Change in working capital			
Prepayments and other assets		**(39,290,376)**	(51,598,929)
Trade and other receivables		**289,858,184**	(164,963,157)
Contract assets		**(224,732,801)**	40,642,772
Concession contract receivables		**(308,666,660)**	(389,716,669)
Inventories		**16,575,467**	27,715,884
Advance from customer		**-**	(49,222,713)
Trade payable, accruals and other liabilities		**(164,775,704)**	207,373,153
Cash flows used in operating activities		**(121,928,820)**	(58,145,343)
Finance costs paid		**(49,112,467)**	(45,083,896)
Zakat paid		**(17,438,361)**	(10,537,946)
Employees' defined benefits paid		**(6,267,404)**	(5,863,712)
Net cash used in operating activities		**(194,747,052)**	(119,630,897)
INVESTING ACTIVITIES			
Purchase of property and equipment	7	**(77,308,648)**	(37,142,879)
Movement in capital advances		**(2,522,182)**	8,415,976
Proceeds from sale of property and equipment		**2,660,528**	1,015,708
Payment received on loan to equity accounted investee		**1,060,088**	809,839
Loan to equity accounted investee	5	**(11,172,000)**	(8,611,750)
Net cash used in investing activities		**(87,282,214)**	(35,513,106)

Rami M. Moussilli Rahul Rao

Docusign Envelope ID: 46728382-9D7E-8C15-82D8-37F4A990D431

	Note	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		**(4,282,213)**	(1,340,419)
Proceeds from term loans	14	**914,847,136**	704,631,551
Repayment of term loans	14	**(554,460,885)**	(420,963,784)
Finance costs paid on lease liabilities		**(47,781)**	(26,879)
Upfront fees paid		**-**	(6,044,265)
Dividends paid		**(60,488,578)**	(52,500,000)
Net cash from financing activities		**295,567,679**	223,756,204
Change in cash and cash equivalents		**13,538,413**	68,612,201
Cash and cash equivalents at the beginning of the period		**257,818,897**	322,293,581
Cash and cash equivalents at the end of the period		**271,357,310**	390,905,782

The attached notes from 1 to 27 form an integral part of these condensed consolidated interim financial statements.

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

Chairman of Board of Directors	Chief Executive Officer	Chief Financial Officer
	Rami M. Moussilli	Rahul Rao

1. CORPORATE INFORMATION

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

The Company is engaged in contracting buildings, roads, industrial, mechanical, marine and electrical works, cleaning of buildings and cities, operation and maintenance of medical centers, hospitals, airports, and waste disposal, and environmental pollution control. Alkhorayef Group Company (AGC) is the Parent Company and Abdullah Ibrahim Alkhorayef Sons Company (AIA) is the Ultimate Holding Company.

The Company has amended its by-laws on 23 May 2024 to comply with the new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 September 2022) (hereinafter referred as "the Law") which came into force on 26/6/1444 H (corresponding to 19 January 2023).

The Company has the following branches:

Branch Commercial Registration Number	Branch	Date of registration
1010468210	Riyadh	22 Jumada'I 1438H
2050125508	Dammam	2 Ramadan 1440H
4032275310	Taif	26 Shawwal 1445H
1009211223	Riyadh	11 Ramadan 1446H
1009212405	Riyadh	13 Ramadan 1446H
1009212404	Riyadh	13 Ramadan 1446H
1009212403	Riyadh	13 Ramadan 1446H
1009099162	Riyadh	13 Rabi'I 1446H
1009099163	Riyadh	13 Rabi'I 1446H

On 12 Safar 1443H (corresponding to 12 September 2022), the Company established a new branch in Iraq which is not operational as at 30 September 2026.

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

The Company has the following wholly owned subsidiaries:

Company	Origin	Date of incorporation	Principal activity	Capital
The Fifth Package Development Company for Environmental Services	Saudi Arabia	9 October 2023	Water and waste collection and management, environmental pollution control.	100,000
The Sixth Package Development Company for Environmental Services	Saudi Arabia	21 January 2024	Water and waste collection and management, environmental pollution control.	100,000
The Seventh Package Development Company for Environmental Services	Saudi Arabia	3 July 2024	Water and waste collection and management, environmental pollution control.	100,000
Masar Logistics Company	Saudi Arabia	20 May 2026	Cargo road freight transportation	500,000
AWPT Development Holding Company	Saudi Arabia	28 July 2026	Holding Company activities	500,000

1. CORPORATE INFORMATION (CONTINUED)

The Company has the following joint arrangements:

			Percentage of ownership	
Joint operations name	**Location**	**Principal activities**	**2026**	2025
Engineering, procurement and construction for Rayis-Rabigh project (EPC)*	Kingdom of Saudi Arabia	Engineering, procurement and construction	**50%**	50%
Operation and Maintenance for Hadda and Arana Wastewater Treatment Plants in Mecca **	Kingdom of Saudi Arabia	Operations and Maintenance	**49%**	49%

Such unincorporated joint arrangements, whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, are classified as joint operations. In the accompanying consolidated financial statements, the Group includes in its financial statements its share in the joint operations' assets, liabilities, revenues and expenses incurred jointly.

*During 2024, the Company entered an unincorporated joint operation with Branch of Tecnicas De Desalinizacion De Aguas S.A ("Tedagua") whereby the Company and Tedagua assumed an economic activity subject to joint control. The purpose of setting-up this operation is to collaborate with Innovative Water Transport Development Company, a joint venture company (see note 5.1) for the execution and completion of Engineering, Procurement and Construction works in relation to a long-term project.

**This is an unincorporated joint operation between the Company with the Branch of FCC Aqualia S.A. Company. The purpose was Operation and Maintenance of Hadda and Arana Waste Water Treatment Plants in Mecca. The hand over of the project has been completed.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed consolidated interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual financial statements").

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

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements remain unchanged.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

4.1 Structure of the statement of profit or loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss - namely operating, investing, financing, zakat / income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an 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 information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following:

Investing category:

Based on the Group’s preliminary assessment, Interest income and time deposits, dividends received from investment and share of results from joint ventures will be included in investing category.

Financing category:

The Group will classify income and expenses in the financing category based on the nature of the underlying liabilities:

- Liabilities arising only from the raising of finance: Expenses related to the Group’s borrowings will be classified in the financing category.
- Interest on other liabilities: The interest cost component of the Employee Retirement Benefit obligations and the interest expense on lease liabilities wil move to the financing category.

4.2 Foreign Exchange:

Foreign exchange differences:

Based on the Group's preliminary assessment, foreign exchange differences will be classified in the category where the related income and expenses from the item giving rise to the difference are classified:

Operating: Foreign exchange differences on trade receivables and trade payables.
Investing: Foreign exchange differences on cash and bank balances.

4.3 Management defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. 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 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.

4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE (CONTINUED)

4.4 Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in 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 assesses 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.

4.5 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 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.

5. EQUITY ACCOUNTED INVESTEES

Investee name	Nature	Principal place of business	Principal activities	Percentage of ownership	
				30 September 2026	31 December 2025
Innovative Water Transport Development Company ("IWTD")	Joint venture	Saudi Arabia	Operations and Maintenance	**50%**	50%
Erwaa Water Company ("EWC")	Associate	Saudi Arabia	Operations and Maintenance	**49%**	49%

		Carrying value		
Investee name	*Note*	**30 September 2026**	30 September 2025	31 December 2025
Innovative Water Transport Development (IWTD)	5.1	**105,252,275**	(16,079,202)	3,278,162
Erwaa Water Company ("EWC")	5.2	**(2,229,395)**	(3,865,000)	(5,311,610)
Total		**103,022,880**	(19,944,202)	(2,033,448)

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

30 September 2026 (Unaudited)	**EWC**	**IWTD**	**Total**
At the beginning of the period	**-**	**3,278,162**	**3,278,162**
Obligation for loss – opening balance (note 16)	**(5,311,610)**	**-**	**(5,311,610)**
Share of (loss) / profit	**(8,745,055)**	**123,151**	**(8,621,904)**
Share in other comprehensive income	**-**	**101,850,962**	**101,850,962**
Loan transfer to long term interest in associate (note 5.2) – net	**11,827,270**	**-**	**11,827,270**
Obligation for loss - ending balance (note 16)	**(2,229,395)**	**-**	**(2,229,395)**
At the end of the period	**-**	**105,252,275**	**105,252,275**

5. EQUITY ACCOUNTED INVESTEES (CONTINUED)

30 September 2025 (Unaudited)	EWC	IWTD	Total
At the beginning of the period	-	7,411,097	7,411,097
Obligation for loss – opening balance (note 16)	(21,091,049)	-	(21,091,049)
Share of (loss) / profit	(9,017,059)	5,220	(9,011,839)
Share in other comprehensive loss	-	(23,495,519)	(23,495,519)
Loan transfer to long term interest in associate (note 5.2) - net	26,243,108	-	26,243,108
Obligation for loss - ending balance (note 16)	(3,865,000)	(16,079,202)	(19,944,202)
At the end of the period	-	-	-

5.1 Innovative Water Transport Development (IWTD)

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

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

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

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

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

	30 September 2026	31 December 2025
Total current assets	**388,555,976**	141,750,739
Total non-current assets	**2,328,671,595**	1,830,632,937
Total current liabilities	**(76,604,113)**	(227,008,407)
Non-current liabilities	**(2,459,705,419)**	(1,740,732,408)
Net assets	**180,918,039**	4,642,861
Income tax payable by Cobra Instalaciones Servicios SA	**29,586,511**	1,913,463
	210,504,550	6,556,324
Carrying amount of interest in joint venture at 50%	**105,252,275**	3,278,162

	30 September 2026	31 December 2025
Revenue	**397,763,075**	1,236,274,581
Depreciation and amortization	**(215,694)**	(322,714)
Interest expense	**(103,257,352)**	(79,612,896)
Tax and zakat	-	(218,938)
Profit / (loss) for the period / year	**98**	(205,220)
Other comprehensive income / (loss) for the period / year (note 5.1 a)	**183,331,731**	(8,060,650)
Total comprehensive income (loss) for the period / year	**183,331,829**	(8,265,870)
Group share in total comprehensive income / (loss) for the period / year	**101,974,113**	(4,132,935)

5. EQUITY ACCOUNTED INVESTEES (CONTINUED)

5.1 Innovative Water Transport Development (IWTD) (continued)

a) As at 30 September 2026, IWTD held Interest Rate Swaps ("IRS") of a notional value of ﷼ 2.5 billion (31 December 2025: ﷼ 2.5 billion), in order to hedge its exposure to special commission rate risks related to term financing. Changes in the fair value of the Interest Rate Swaps have been recognized in other comprehensive income. The cash flow hedge reserve represents the effective portion of cash flow hedges.

b) In accordance with the income tax regulations set forth by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia, the income tax expense is fully borne by the other foreign shareholder, Cobra. As a result, the Company's share of the joint venture's profit / loss for the period excludes its portion of the tax expense. Presented is a reconciliation of the joint venture's profit / loss for the period to share of profit / loss recognized in the statement of profit or loss.

5.2 Erwaa Water Company ("EWC")

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

The Group has paid ﷼ 245,000, representing 49% of share capital to EWC. The Group has determined that it has significant influence because it has meaningful (but not majority) representation on the Board of Directors of the associate. The investment is accounted for using the equity method in these financial statements. EWC had no contingent liabilities or capital commitments as at 30 September 2026

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

	30 September 2026	31 December 2025
Total current assets	**67,187,964**	30,127,138
Total non-current assets	**351,982**	983,511
Total current liabilities	**(61,363,357)**	(26,868,176)
Non-current liabilities	**(94,527,108)**	(74,745,940)
Net liabilities	**(88,350,520)**	(70,503,467)
Carrying amount of interest in associate at 49%	**(43,291,755)**	(34,546,699)

	30 September 2026	31 December 2025
Revenue	**67,915,925**	34,591,057
Depreciation and amortization	**(511,487)**	(830,601)
Interest expense	**(3,602,886)**	(3,415,619)
Tax and zakat	**-**	43,244
Loss for the period / year	**(17,847,052)**	(27,460,508)
Group share in loss for the period/year at 49%	**(8,745,055)**	(13,455,649)

The cumulative share of loss amounting to ﷼ 43.3 million has exceeded the carrying value of investment as at 30 September 2026. The Group has recognized additional losses as an obligation and has presented them under the liabilities since the Group has a legal obligation to record additional losses in proportion of its ownership percentage in accordance with the terms of the agreement. This obligation amount has been adjusted against the loan given to the associated company and considered as long-term interest in associate. EWC is expected to generate profits over the life of the project. As of 30 September 2026, the Group is holding a net provision of ﷼ 43.3 million to account for the accumulated losses above initial investment (31 December 2025: ﷼ 34.5 million).

5. EQUITY ACCOUNTED INVESTEES (CONTINUED)

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

During the year ended 31 December 2022, shareholders of EWC agreed to provide funding to EWC to support its working capital requirements in proportion to their ownership percentage. Accordingly, an agreement between the Company and EWC was signed, under which the Company agreed to provide a maximum loan amount of ﷼ 41 million. The loan carries rate of 3-month SIBOR plus profit margin and has a maturity date of 4 May 2028 when the principal portion of the loan is due in full. During the period ended 30 September 2026, the Company has provided additional funding of ﷼ 11.2 million (31 December 2025: ﷼ 11.66 million) proportionate to its share in EWC.

Movement in loan to associate:

	30 September 2026	30 September 2025	31 December 2025
Opening balance	**29,235,088**	17,322,839	17,322,839
Addition during the period/year	**11,172,000**	8,611,750	11,662,000
Interest income	**1,715,360**	1,118,358	1,736,105
Repayments	**(1,060,088)**	(809,839)	(1,485,856)
Closing balance*	**41,062,360**	26,243,108	29,235,088

*The Group has transferred the loan to associate by considering this as long-term interest in associate.

6. CONCESSION CONTRACT RECEIVABLES

	30 September 2026	31 December 2025
Financial asset arising from service concession arrangement	**1,196,280,889**	843,371,875
Classified as:		
-Non-current	**1,133,007,852**	821,943,813
-Current	**63,273,037**	21,428,062
	1,196,280,889	843,371,875

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

	30 September 2026	31 December 2025
Opening balance	**843,371,875**	367,262,617
Revenue for the period/year	**384,918,511**	736,401,288
Billing	**(71,385,627)**	(296,848,028)
Finance income	**39,376,130**	36,555,998
Closing balance	**1,196,280,889**	843,371,875

During 2024, the Group has entered into 3 long-term operation and maintenance agreements ("LTOM Agreement") with a government related entity for a period of 15 years. The scope of the LTOM agreement is rehabilitation and remediation work of sewage treatment plants while simultaneously providing operation and maintenance services. All the relevant output of the plants will be purchased and off taken by the government related entity. At the end of the LTOM Agreement, the plants would be transferred back to government related entity. The receivables from Government are not yet due and ECL is minimal.

7. PROPERTY AND EQUIPMENT

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

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

30 September 2026 (unaudited)	Land	Buildings	Heavy Machines	Furniture and fixtures	Motor vehicles	Total
						(Unaudited)
Cost:						
1 January	**24,766,950**	**90,640,911**	**345,414,107**	**33,842,028**	**159,470,220**	**654,134,216**
Additions	**4,239,490**	**11,747,220**	**44,384,536**	**2,797,679**	**14,139,723**	**77,308,648**
Disposals	-	**(154,700)**	**(1,376,737)**	**(2,813,879)**	**(3,236,256)**	**(7,581,572)**
30 September	**29,006,440**	**102,233,431**	**388,421,906**	**33,825,828**	**170,373,687**	**723,861,292**
Accumulated depreciation:						
1 January	-	**5,092,434**	**194,032,994**	**15,049,174**	**107,185,488**	**321,360,090**
Charge for the period	-	**2,216,570**	**30,355,701**	**2,852,833**	**15,189,874**	**50,614,978**
Disposals	-	**(149,379)**	**(1,257,042)**	**(1,954,855)**	**(2,005,595)**	**(5,366,871)**
30 September	-	**7,159,625**	**223,131,653**	**15,947,152**	**120,369,767**	**366,608,197**
Carrying value:						
30 September 2026 (Unaudited)	**29,006,440**	**95,073,806**	**165,290,253**	**17,878,676**	**50,003,920**	**357,253,095**

7. PROPERTY AND EQUIPMENT (CONTINUED)

31 December 2025	*Land*	*Buildings*	*Heavy machinery*	*Furniture and fixtures*	*Motor vehicles*	*Total*
Cost:						
1 January	22,500,000	86,151,561	317,536,995	29,925,830	148,941,102	605,055,488
Additions	2,266,950	4,643,650	32,094,288	4,751,662	12,697,059	56,453,609
Disposals	-	(154,300)	(4,217,176)	(835,464)	(2,167,941)	(7,374,881)
31 December	24,766,950	90,640,911	345,414,107	33,842,028	159,470,220	654,134,216
Accumulated depreciation:						
1 January	-	2,438,226	160,846,579	12,079,053	88,987,857	264,351,715
Charge of the year	-	2,805,840	36,974,203	3,645,435	19,680,032	63,105,510
Disposals	-	(151,632)	(3,787,788)	(675,314)	(1,482,401)	(6,097,135)
31 December	-	5,092,434	194,032,994	15,049,174	107,185,488	321,360,090
Net book value						
31 December 2025	24,766,950	85,548,477	151,381,113	18,792,854	52,284,732	332,774,126

8. DERIVATIVE FINANCIAL INSTRUMENT

To hedge the variability in interest rate on Term Murabaha facility, the Group entered into an interest rate swap agreements with the Saudi Investment Bank.

The interest rate swap agreements require the Group to pay fixed rate interest payment of 3.98% and 4.75%. The maturity dates of the agreements are 30 September 2027, 30 September 2031 and 30 September 2037.

For the purpose of hedge accounting, interest rate swap has been designated into cash flow hedge. The fair value and notional amount of the interest rate swap derivative is as follows:

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Notional amount	**447,384,579**	**-**	-
Positive fair value	**19,691,487**	**-**	-

The hedge has been assessed to be effective and as at September 2026, net un-realised gain of SR 19.69 million (31 December 2025:nil) has been included in the statement of profit or loss and other comprehensive income.

At 30 September 2026, the Group held the interest rate swap to hedge exposures to changes in interest rate. The table below summaries the maturity profile of the derivative financial instruments based on contractual undiscounted payments.

	Less than 12 months	**1-5 years**	**More than 5 years**	**Total**
30 September 2026	-	**114,376,691**	**333,007,888**	**447,384,579**
31 December 2025	-	**-**		**-**

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Advances to suppliers	**186,435,460**	165,743,649
Prepaid expenses	**45,762,162**	28,223,410
Employees' advances and receivables	**925,164**	1,554,101
Others	**7,156,875**	5,468,125
	240,279,661	200,989,285

10. CONTRACT ASSETS

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Opening balance	**591,615,616**	663,614,397	663,614,397
Value of work performed during the period / year	**1,559,104,430**	1,890,578,884	2,473,951,052
Progress billings made during the period / year	**(1,385,682,914)**	(1,966,611,818)	(2,545,949,833)
	765,037,132	587,581,463	591,615,616
Advances received from customers	**(36,769,059)**	(40,383,469)	(88,080,344)
	728,268,073	547,197,994	503,535,272
Less: provision for expected credit losses	**(16,141,747)**	(13,485,792)	(9,540,745)
Closing balance	**712,126,326**	533,712,202	493,994,527

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

10.2 Movement of provisions for expected credit losses on contract assets:

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Opening balance	**9,540,745**	**23,846,451**	23,846,451
Charge / (reversal) for the period / year	**6,601,002**	**(10,360,659)**	(14,305,706)
Closing balance	**16,141,747**	**13,485,792**	9,540,745

10.3 Contract assets balance as at 30 September 2026 includes contract assets from the following related parties:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Erwa Water Company (note 18.3)	**49,765,637**	38,215,602
Innovative Water Transport Development Company (note 18.3)	-	47,006,618
	49,765,637	85,222,220

10. CONTRACT ASSETS (CONTINUED)

	30 September 2026			31 December 2025		
	Gross carrying amount	**Expected credit loss**	**Expected credit loss rate**	Gross carrying amount	Expected credit loss	Expected credit loss rate
0-90 days	**392,817,770**	**2,094,132**	**0.53%**	261,371,744	755,028	0.28%
91-180 days	**46,806,802**	**613,752**	**1.31%**	73,502,324	481,797	0.66%
181-270 days	**40,549,809**	**741,538**	**1.83%**	71,285,455	736,188	1.03%
271-360 days	**62,266,406**	**1,463,184**	**2.35%**	34,968,930	568,097	1.62%
361-450 days	**66,486,225**	**2,604,445**	**3.92%**	15,813,247	532,359	3.37%
451-540 days	**65,671,836**	**3,316,102**	**5.05%**	18,941,737	1,014,211	5.35%
541-630 days	**26,513,388**	**1,778,183**	**6.71%**	14,307,557	1,224,877	8.56%
631-720 days	**7,349,949**	**654,049**	**8.90%**	4,432,046	483,333	10.91%
More than 720 days	**19,805,888**	**2,876,362**	**14.52%**	8,912,232	3,744,855	42.02%
Total	**728,268,073**	**16,141,747**		503,535,272	9,540,745	

11. TRADE AND OTHER RECEIVABLES

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	**552,310,711**	837,742,761
Retention receivables	**12,069,656**	16,495,790
	564,380,367	854,238,551
Less: provision for expected credit losses	**(25,977,256)**	(27,857,584)
	538,403,111	826,380,967

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

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Opening balance	**27,857,584**	13,021,674	13,021,674
(Reversal) / charge for the period / year	**(1,880,328)**	11,800,767	14,835,910
Closing balance	**25,977,256**	24,822,441	27,857,584

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Trade receivables include amounts totaling ﷼ 563 million which is due from Government and quasi-Government institutions (31 December 2025: ﷼ 799 million).

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

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

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

	30 September 2026			31 December 2025		
	Gross carrying amount	**Expected credit loss**	**Expected credit loss rate**	Gross carrying amount	Expected credit loss	Expected credit loss rate
Not due	**308,821,731**	**2,040,136**	**0.66%**	481,927,404	2,591,702	0.53%
0-90 days	**65,661,113**	**1,873,635**	**2.85%**	121,389,926	3,338,491	2.75%
91-180 days	**590,232**	**12,458**	**2.11%**	21,932,331	857,304	3.9%
181-270 days	**21,230,432**	**1,322,006**	**6.23%**	16,560,619	885,452	5.3%
271-360 days	**1,062,591**	**69,267**	**6.52%**	39,414,704	2,410,643	6.12%
More than 360 days	**167,014,268**	**20,659,754**	**12.37%**	173,013,567	17,773,992	10.27%
Total	**564,380,367**	**25,977,256**		854,238,551	27,857,584	

The trade receivables balance includes balances receivable from the following related parties:

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Erwa Water Company (note 18.3)	**21,717,021**	1,794,120
Innovative Water Transport Development Company (note 18.3)	**10,336,182**	37,052,733
	32,053,203	38,846,853

12. CASH AND BANK BALANCES

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Bank balances	**264,042,568**	382,800,125	257,753,963
Cash in hand	**7,314,742**	8,105,657	64,934
	271,357,310	390,905,782	257,818,897

13. SHARE CAPITAL

Share capital as at 30 September 2026 and 31 December 2025 was as follows:

30 September 2026 (Unaudited)	**Number of shares**	**Capital**	**Shareholding**
Alkhorayef Group Company	**14,700,000**	**147,000,000**	**42%**
Alkhorayef Investment Company *	**1,575,000**	**15,750,000**	**4.5%**
Public and other minor shareholders	**18,725,000**	**187,250,000**	**53.5%**
	35,000,000	**350,000,000**	**100%**
31 December 2025			
Alkhorayef Group Company	16,275,000	162,750,000	46.5%
Public and other minor shareholders	18,725,000	187,250,000	53.5%
	35,000,000	350,000,000	100%

The authorized and paid-up share capital of the Company as at 30 September 2026 and 31 December 2025 was ﷼ 350 million divided into 35 million shares of ﷼ 10 each.

*During the current period, Alkhorayef Group Company transferred 4.5% from its shares to Alkhorayef Investment Company.

14. TERM LOANS

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Long-term loans	**1,190,013,550**	807,544,800
Short term loans	**160,024,146**	182,106,645
Total loans	**1,350,037,696**	989,651,445
Less: transaction cost subject to amortization	**(4,461,238)**	(5,108,842)
Amortized cost of term loans	**1,345,576,458**	984,542,603
Less non-current portion of long-term loan	**(1,186,415,779)**	(742,373,458)
Current loans	**159,160,679**	242,169,145

Below is the movement of the loans and borrowings:	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Balance at 1 January	**984,542,603**	699,131,634	699,131,634
Upfront fees paid during the period/year	**-**	(6,044,265)	(6,044,265)
Loans obtained during the period/year	**914,847,136**	704,631,551	932,750,896
Amortization of upfront fees during the period/year	**647,604**	719,555	935,423
Payments made during the period/year	**(554,460,885)**	(420,963,784)	(642,231,085)
Balance at 30 September / 31 December	**1,345,576,458**	977,474,691	984,542,603

The Group has obtained Sharia Compliant Murabaha loan facilities from commercial banks for a total amount of ﷼ 1,345 million (31 December 2025: ﷼ 984 million). These facilities are maturing from 2026 to 2032. These loans carry varying Murabaha profit rates in conformity with the applicable loan agreements. These facilities bear profit margin at market rates, which are generally based on Saudi Inter Bank Offer Rate ("SIBOR") and are secured by assignment of proceeds from pre-specified contracts.

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

As at 30 September 2026, the Group's total loan balance was ﷼ 1,345,576,458 (31 December 2025: ﷼ 984,542,603), of which ﷼ 210,500,000 (31 December 2025: nil) relates to senior debt at the subsidiary level.

As at 30 September 2026, the Group has borrowings of amount ﷼ 1,186,415,779 classified as non – current liabilities, which are subject to covenants set by lenders. These covenants include:

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

The assessment of compliance with these covenants is performed at the end of each reporting period as per the loan agreements. As of 30 September 2026, the Group is in compliance with all the applicable covenants, and therefore, these borrowings are classified as non – current liabilities.

At 30 September, undrawn committed borrowing facilities amounted to ﷼ 2,900 million (31 December 2025: ﷼ 2,997 million).

15. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Project accruals	**513,269,154**	625,948,599
Trade payables	**168,982,408**	211,378,755
Employee accruals	**64,616,991**	65,304,089
Accrued interest	**28,801,184**	19,149,874
VAT payable	**9,908,020**	19,926,239
Due to related parties (note 18.3)	**6,207,465**	4,370,592
Accrued BOD remuneration	**2,605,417**	3,645,000
Financial guarantee liability	**976,014**	-
Dividend payable	**761,422**	61,250,000
Other	**538,242**	1,306,141
	796,666,317	1,012,279,289

16. PROVISIONS

30 September 2026 (unaudited)	31 December 2025 (Audited)	Provision made during the period	Share in results	Loan transfer to long term interest in associate	Provision reversed during the period	**30 September 2026 (Unaudited)**
Provision for penalties (note 16.2)	58,229,752	-	-	-	(18,541,396)	**39,688,356**
Provision for onerous contracts (note 16.1)	7,886,158	-	-	-	-	**7,886,158**
Obligation for loss from an equity accounted investee (note 5)	5,311,610	-	8,745,055	(11,827,270)	-	**2,229,395**
Risk provision (note 16.3)	-	17,200,000	-	-	-	**17,200,000**
Other provisions	1,394,598	3,231,577	-	-	-	**4,626,175**
	72,822,118	20,431,577	8,745,055	(11,827,270)	(18,541,396)	**71,630,084**

31 December 2025 (Audited)	31 December 2024 (Audited)	Provision made during the period	Share in results	Loan transfer to long term interest in associate	Provision reversed during the period	31 December 2025 (Audited)
Provision for penalties	27,484,473	30,745,279	-	-	-	58,229,752
Provision for onerous contracts	3,000,000	4,886,158	-	-	-	7,886,158
Obligation for loss from an equity accounted investee (note 5)	3,768,210	-	13,455,649	(11,912,249)	-	5,311,610
Other provisions	-	1,394,598	-	-	-	1,394,598
	34,252,683	37,026,035	13,455,649	(11,912,249)	-	72,822,118

16.1 Provision for onerous contracts is made for contracts under which are unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

16.2 Management has actively contested penalties imposed under the Ejada Program through the program's formal dispute mechanisms and, where necessary, through legal proceedings. Taking into account a consistent record of favorable outcomes in similar cases, the Company has released a provision amounting to ﷼ 18,541,396 during the period.

16.3 Management has recognized a risk provision of ﷼ 17,200,000 in respect of potential future losses associated with Erwaa Water Company (EWC) contract with NWC based on an assessment that an outflow of economic resources is probable and can be reliably estimated.

17. EARNINGS PER SHARE

Basic earnings per share attributable to the shareholders is calculated based on the weighted average number of outstanding shares during the period.

Diluted earnings per share is calculated by adjusting basic earnings per share for the weighted average number of additional shares that would have been outstanding, assuming the conversion of all dilutive potential shares.

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit for the period (﷼)	**65,232,569**	69,585,392	**193,356,458**	189,394,985
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**35,000,000**	35,000,000	**35,000,000**	35,000,000
Basic and diluted earnings per share of profit for the period (﷼)	**1.86**	1.99	**5.52**	5.41

18. RELATED PARTIES TRANSACTIONS AND BALANCES

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

The terms of the transactions with related parties are approved by the Group's management.

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

			Volume of transactions for the nine-month period ended	
Related parties	**Relationship**	**Nature of transactions**	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)
Alkhorayef Group company	Parent Company	Shared service cost	**1,361,145**	1,361,145
Abdullah Ibrahim Alkhorayef Sons Company	Ultimate Parent Company	Land rental	**213,900**	251,400
Alkhorayef Commercial Company	A subsidiary to the Parent	Purchases	**13,414**	1,366,890
		Sale		3,519
Alkhorayef Printing Solutions Company	A subsidiary to the Parent	Purchases	**325,444**	886,855
Alkhorayef Lubricants Company	A subsidiary to the Parent	Purchases	**833,245**	356,862
Saudi Part Center ("SPC")	A subsidiary to the Parent	Purchases	**90,562**	251,275
Alkhorayef Petroleum Company	A subsidiary to the Parent	Sales	**1,725**	6,900
		Purchases	**267,335**	
Alkhorayef Industries Company	A subsidiary to the Parent	Sales	**1,725**	5,003
		Purchases	**3,254,500**	

18. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Related parties	Relationship	Nature of transactions	Volume of transactions for the nine-month period ended	
			30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
Erwaa Water Company ("EWC")	Associate	Loan during the period	**11,172,000**	8,611,750
		Revenue	**67,915,925**	28,482,262
		Finance income	**1,715,360**	1,118,358
Innovative Water Transport Development Company ("IWTD")	A joint venture	Revenue	**397,763,075**	424,319,554

Key management compensation

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

Related parties	Nature of transactions	Amount of transactions	
		30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
Key management personnel	Short-term benefits	**17,507,430**	15,462,189
	Post-employment benefits	**596,195**	474,318
Board of directors	Remuneration and sitting fees	**2,605,417**	2,247,777

18.1 Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables balance.

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

	Note	**30 September 2026 (Unaudited)**	31 December 2025 (Audited)
Innovative Water Transport Development Company	11	**10,336,182**	37,052,733
Erwa Water Company – loan	5	**39,347,000**	27,498,983
Erwa Water Company – interest receivable	5	**1,715,360**	1,736,105
Erwa Water Company – commercial balance	11	**21,717,021**	1,794,120
		73,115,563	68,081,941

The breakdown of contract assets from related parties is as follows:

	Note	**30 September 2026 (Unaudited)**	31 December 2025 (Audited)
Erwa Water Company		**49,765,637**	38,215,602
Innovative Water Transport Development Company		**-**	47,006,618
	10	**49,765,637**	85,222,220

18. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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

	Note	**30 September 2026 (Unaudited)**	31 December 2025 (Audited)
Alkhorayef Commercial Company		**1,802,625**	3,680,000
Alkhorayef Group Company		**4,296,322**	-
Alkhorayef Lubricants Company		**37,428**	396,796
Alkhorayef Printing Solution		**40,716**	293,796
Saudi Parts Center Company		**30,374**	-
	15	**6,207,465**	4,370,592

19. REVENUES

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

	For the three-month period ended 30 September		**For the nine-month period ended 30 September**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Types of services				
Water (note "a")	**138,751,017**	295,174,283	**482,808,224**	945,590,155
Wastewater (note "b")	**253,713,705**	235,534,861	**728,848,799**	714,023,125
Integrated Water Solutions (note "c")	**140,287,910**	77,543,855	**356,041,677**	230,965,604
Gross revenue	**532,752,632**	608,252,999	**1,567,698,700**	1,890,578,884
Less: provision for expected penalties	**(2,172,138)**	(6,604,478)	**(8,594,270)**	(11,903,552)
Net revenue	**530,580,494**	601,648,521	**1,559,104,430**	1,878,675,332

	For the three-month period ended 30 September		**For the nine-month period ended 30 Septembe**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Water Networks	**73,515,231**	230,605,312	**314,332,139**	766,148,794
Water Withdraw and Treatment	**65,235,786**	64,568,971	**168,476,085**	179,441,361
	138,751,017	295,174,283	**482,808,224**	945,590,155

	For the three-month period ended 30 September		**For the nine-month period ended 30 Septembe**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Wastewater Networks	**70,037,542**	23,852,729	**173,029,473**	65,904,265
Wastewater Treatment	**183,676,163**	211,682,132	**555,819,326**	648,118,860
	253,713,705	235,534,861	**728,848,799**	714,023,125

19. REVENUES (CONTINUED)

	For the three-month period ended 30 September		For the nine - month period ended 30 September	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Water Management Services	**47,985,871**	30,682,776	**123,340,561**	85,337,386
City Management	**56,990,021**	28,961,479	**152,645,622**	91,138,367
Stormwater Networks	**35,312,018**	17,899,600	**80,055,494**	54,489,851
	140,287,910	77,543,855	**356,041,677**	230,965,604

Geographical markets

The Group operates exclusively in the Kingdom of Saudi Arabia and therefore no additional geographical market information is presented in these condensed consolidated interim financial statements. Revenue on

contracts is recognised over time in line with the revenue recognition policy. More than 97% of revenue is from contracts with Government entities.

20. COST OF REVENUES

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Materials consumed	**185,491,415**	242,061,845	**543,824,195**	883,538,426
Employees' salaries and other benefits	**124,559,518**	124,670,451	**382,875,031**	375,646,274
Depreciation and amortisation	**17,256,247**	15,026,457	**48,374,868**	44,295,809
Repair and maintenance	**27,495,417**	39,623,422	**71,838,363**	91,937,339
Utilities	**13,213,490**	14,294,971	**39,772,512**	36,112,299
Rent	**6,773,757**	9,197,410	**19,898,202**	23,932,750
Insurance	**2,904,575**	3,061,248	**8,497,059**	9,184,529
Penalties	**2,513,080**	4,945,615	**13,448,668**	7,707,091
Professional fees	**9,190,904**	5,905,782	**20,402,810**	12,729,725
Others	**22,715,420**	13,031,105	**58,331,420**	44,152,363
	412,113,823	471,818,306	**1,207,263,128**	1,529,236,605

21. ZAKAT

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

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 December 2025 (Audited)
Opening Balance	**17,361,822**	16,527,051	16,527,051
Provision for the period/year	**18,788,131**	12,828,540	17,354,316
Provision no longer required	**-**	-	(5,981,599)
Amount recorded in statement of profit and loss	**18,788,131**	12,828,540	11,372,717
Paid during the period/year	**(17,438,361)**	(10,537,946)	(10,537,946)
	18,711,592	18,817,645	17,361,822

21. ZAKAT (CONTINUED)

Status of zakat and VAT assessment

Zakat returns have been submitted based on the consolidated zakat base of Abdullah Ibrahim Alkhorayef Sons Company (Ultimate Parent Company) up to the year ended 31 December 2020. Final assessments of Ultimate Parent Company have been agreed up to the year ended 31 December 2019. The Group has also pledged to the Capital Market Authority that the Ultimate Parent Company will bear any additional zakat amounts that might relate to the years till 2020 and earlier. In May 2021 the Company has separately registered with Zakat Tax and Custom Authority (the "ZATCA") and has filed separate Zakat returns for the years up to 31 December 2023. During the year ended 31 December 2025, the Company obtained approval from the ZATCA to file a consolidated zakat return on behalf of the Company and its subsidiaries and accordingly the returns for the years ended 31 December 2024 and 2025 were filed on a consolidated basis. The Company has obtained final assessment for years up to 31 December 2025 and no additional provision is required for any of the years assessed.

The Group is submitting its VAT returns consistently on a monthly basis and has received the final assessment up to the year 31 December 2025 and no additional provision is required for any of the years assessed.

22. DIVIDENDS

No dividend was declared for the period ended 30 September 2026.

23. OPERATING SEGMENTS

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

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

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

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

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

23. OPERATING SEGMENTS (CONTINUED)

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

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

The following table presents information for the Group's operating segments for the period ended 30 September 2026 and 30 September 2025, respectively.

For the period ended 30 September 2026	Water	Waste-water	Integrated Water Solution	Total
Revenue	**474,213,954**	**728,848,799**	**356,041,677**	**1,559,104,430**
Cost of revenue	**(420,593,690)**	**(462,642,337)**	**(324,027,101)**	**(1,207,263,128)**
Gross profit	**53,620,264**	**266,206,462**	**32,014,576**	**351,841,302**
Unallocated income (expenses)				
Other income, net				**3,538,872**
Selling and distribution expenses				**(3,596,708)**
General and administrative expenses				**(111,818,835)**
Expected credit losses on financial guarantee liability				**(976,014)**
Impairment loss on trade receivables and contract assets				**(4,720,674)**
Finance costs				**(59,459,162)**
Finance income				**45,957,712**
Share of loss from equity accounted investees				**(8,621,904)**
Profit before zakat				**212,144,589**
Zakat expense				**(18,788,131)**
Profit for the period				**193,356,458**

23. OPERATING SEGMENTS (CONTINUED)

For the period ended 30 September 2025	Water	Waste-water	Integrated Water Solution	Total
Revenue	938,520,399	712,599,342	227,555,591	1,878,675,332
Cost of revenue	(853,840,834)	(451,085,226)	(224,310,545)	(1,529,236,605)
Gross profit	84,679,565	261,514,116	3,245,046	349,438,727
Unallocated income (expenses)				
Other income, net				8,611,147
Selling and distribution expenses				(2,939,896)
General and administrative expenses				(129,797,069)
Impairment loss on trade receivables and contract assets				(1,440,108)
Finance costs				(45,736,811)
Finance income				33,099,374
Share of loss from an equity accounted investee				(9,011,839)
Profit before zakat				202,223,525
Zakat expense				(12,828,540)
Profit for the period				189,394,985

Geographical segments:

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

24. CONTINGENCIES

The Group has provided a financial guarantee in Favor of Innovative Water Transport Development Company, a Joint Venture Company, for an amount of ﷼ 296,232,611. The group has accounted for the Expected Credit Loss on the above financial guarantee as per IFRS 9.

There were no other significant contingencies and commitments as at 30 September 2026 and 2025.

25. FAIR VALUES OF FINANCIAL INSTRUMENTS

Set out below is an overview of financial assets held by the Company:

Financial assets at amortized cost	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Cash and cash equivalents	**271,357,310**	257,818,897
Trade and other receivables	**564,380,367**	854,238,551
Contract assets	**728,268,073**	503,535,272
Concession contract receivables	**1,196,280,889**	843,371,875
	2,760,286,639	2,458,964,595

Financial assets at fair value – hedging instrument	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Derivative financial instruments	**19,691,487**	-

25. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities at amortized cost	30 September 2026 (Unaudited)	31 December 2025 (Audited)
Trade payables, accruals and other liabilities	**796,666,317**	1,012,279,289
Lease liabilities	**9,299,397**	1,080,880
Term loans	**1,345,576,458**	984,542,603
	2,151,542,172	1,997,902,772

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of cash and cash equivalent, trade receivables, cash and cash equivalents, trade and other receivables, contract assets, concession contract receivables, trade payables, accruals and other liabilities, lease liabilities and term loans approximate their carrying amounts, largely due to the short-term maturities of these instruments except for the long-term loans which carries floating rate based on the market terms.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	30 September 2026			
Financial asset	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative Financial Instruments	**-**	**19,691,487**	**-**	**19,691,487**

26. SUBSEQUENT EVENTS AND CURRENT GEOPOLITICAL SITUATION

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

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia given that the majority of the Group's operations are conducted within Saudi Arabia. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's financial statements for the period ended 30 September 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

27. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements have been approved by the Board of Directors on 23 Jumada Alawal 1448H (corresponding to 3 November 2026).