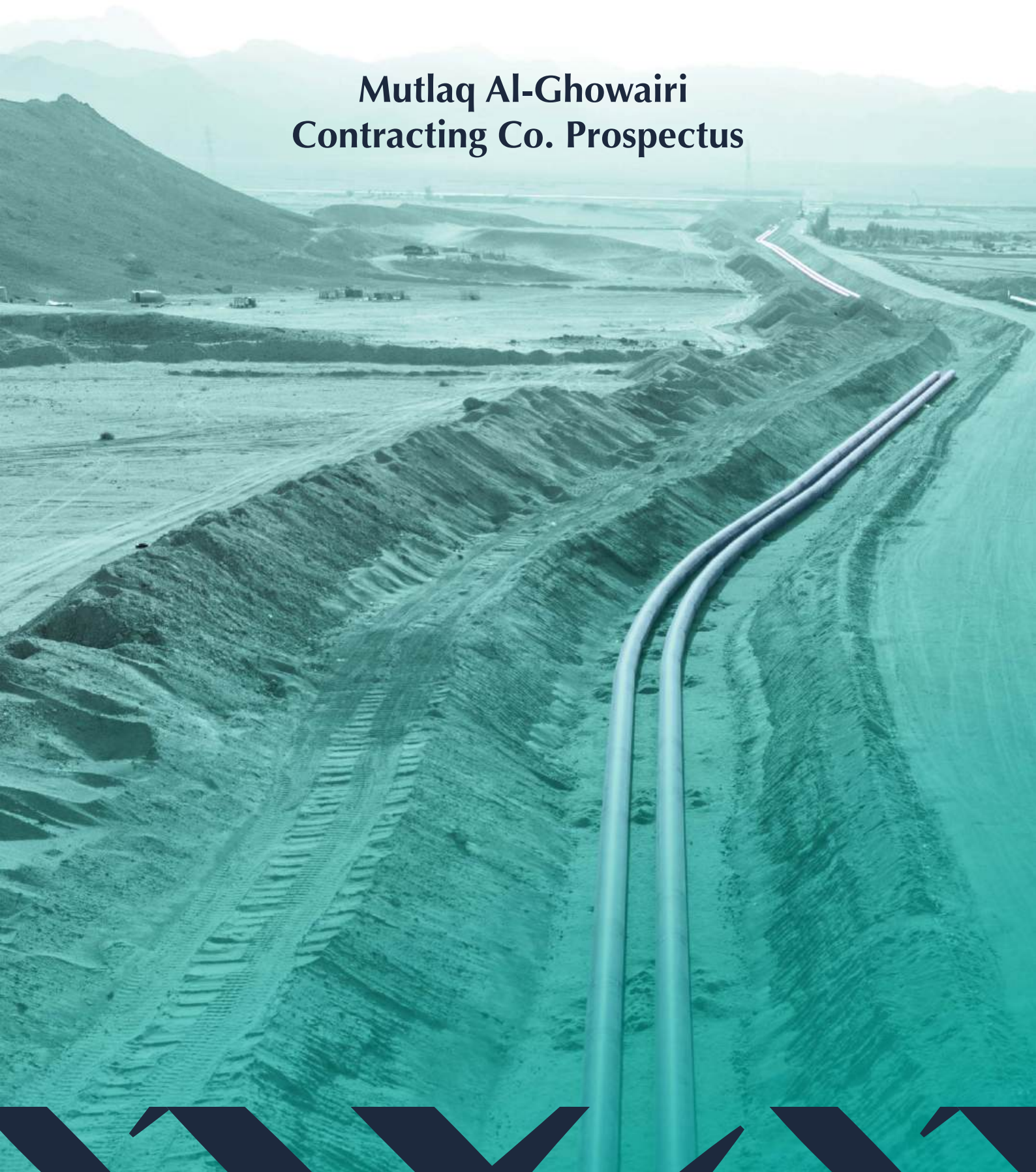




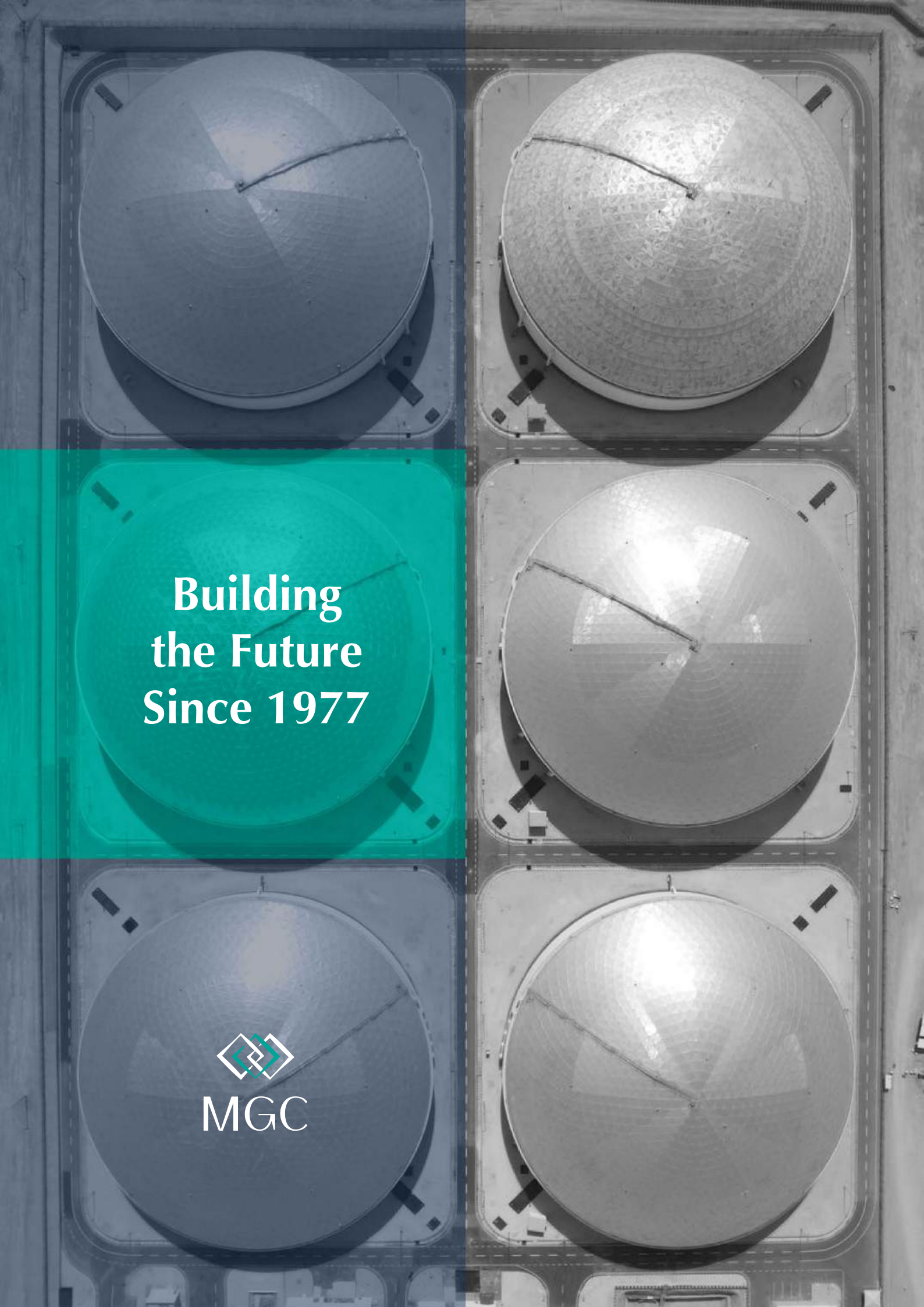
Mutlaq Al-Ghowairi Contracting Co. Prospectus



MGC

Offering of two hundred and forty million (240,000,000) ordinary shares, representing (30.00%) of the share capital of Mutlaq Al-Ghowsairi Contracting Co., through an initial public offering at an Offer Price of [●] Saudi Arabian Rivals (SAR [●]) per Share.

This preliminary Prospectus is for the purpose of presentation to institutional investors during the book-building process and does not contain the Offer Price. The final prospectus containing the Offer Price will be published upon completion of the book-building process and determination of the Offer Price.



**Building
the Future
Since 1977**



Important Notice

This Prospectus contains detailed information related to the Company and the Offer Shares. When submitting an application to subscribe for the Offer Shares, Participating Parties and Individual Subscribers will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which are available on the websites of the Company (www.mgc.com.sa), the CMA (www.cma.org.sa), Tadawul (www.saudiexchange.sa), and the Financial Advisors (www.alrajhi-capital.com and www.morganstanley.com).

The Company has appointed Al Rajhi Capital and Morgan Stanley Saudi Arabia as its financial advisors (hereinafter referred to as the “**Financial Advisors**”), and has also appointed Al Rajhi Capital, Morgan Stanley Saudi Arabia, anb capital, Emirates NBD Capital KSA, Arqaam Capital Financial JSC, and Albilad Capital as bookrunners (the “**Bookrunners**”), and appointed Al Rajhi Capital, Morgan Stanley Saudi Arabia, anb capital, and Emirates NBD Capital KSA as underwriters (the “**Underwriters**”) in connection with the Offering of the Shares for public subscription. The Company has also appointed Al Rajhi Capital as the lead manager (the “**Lead Manager**”).

This Prospectus includes information that has been provided in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the CMA. The Directors, whose names appear on page (v) of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would render any statement herein misleading.

While the Company has made all reasonable inquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, a substantial portion of the information in this Prospectus that is relevant to the markets and industry in which the Company operates is derived from external sources, as well as publicly available information, data and analyses from publications issued by data, information and news providers. While neither the Company, the Selling Shareholders, the Financial Advisors, nor any of the Company’s other advisors whose names appear on pages (viii), (ix) and (xi) of this Prospectus (collectively referred to with the Financial Advisors as the “**Advisors**”) have any reason to believe that any of the market and industry information contained herein is materially inaccurate, neither the Company, the Selling Shareholders, nor any of the Advisors have independently verified such information. Accordingly, no representation or assurance is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the financial position of the Company and the value of the Offer Shares may be adversely by future developments, such as inflation, interest rates, taxation or other economic, political or other factors over which the Company has no control (for further information, refer to Section 2 (*Risk Factors*)). Neither the delivery of this Prospectus, nor any oral, written or printed information related to the Offer Shares should be deemed, construed or relied upon in any way as a promise, affirmation or representation as to any future earnings, results or events.

This Prospectus should not be regarded as a recommendation on the part of the Company, the Directors, the Selling Shareholders, the Advisors or the Receiving Agents to participate in the Offering. The information provided in this Prospectus is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or personal investment needs of the persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA-licensed financial advisor in relation to the Offering to assess the suitability of the investment opportunity and the information contained in this Prospectus with regard to their own investment objectives, financial condition and needs, including the benefits and risks associated with investing in the Offer Shares. An investment in the Offer Shares may be suitable for some investors but not others. Prospective investors should not rely on another party’s decision or perspective on whether to invest as a basis for their own examination of the investment opportunity and such investor’s individual circumstances.

Subscription to the Offer Shares is restricted to two tranches of Investors:

Tranche (A): Participating Parties: comprising the parties entitled to participate in the book-building process in accordance with the Book-Building Instructions (for further details, please refer to Section 1 (*Definitions and Abbreviations*)).

Tranche (B): Individual Subscribers: comprising any natural person who has an investment account and an active investment portfolio with a Receiving Agent or is entitled to open an investment account with a Capital Market Institution. A subscription for the Offer Shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proven to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be considered (for further details, refer to Section 16 (*Subscription Terms and Conditions*)).

This Prospectus does not constitute an offer of the Company's Shares to any person, or a solicitation of an offer to purchase them, in any jurisdiction or state where the law does not permit such an offer or solicitation. The Offer Shares will be offered outside the United States of America to certain Subscribers outside the US in accordance with Regulation S issued under the US Securities Act.

The distribution of this Prospectus and the sale of the Offer Shares to any person in any country other than the Kingdom are expressly prohibited, except for sales to certain Subscribers located outside of the US, provided that the laws and directives regulating the same are observed. This Offering does not constitute an offer to sell, or solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation would be unlawful or prohibited. All recipients of this Prospectus must inform themselves of all legal restrictions related to the Offering and sale of the Offer Shares and observe all such restrictions. Each eligible Individual Subscriber and Participating Party must read this Prospectus in full and seek advice from their attorneys, financial advisors and other professional advisors regarding the statutory, tax, regulatory and economic considerations related to their investment in the Offer Shares, and they will personally bear the fees associated with such advice. No assurances can be made that any profits will be realized from an investment in the Offer Shares.

Market Information

The information and analyses contained in Section 3 (*Market Overview*) are based on an independent report prepared by the Market Consultant, A.T. Kearney Saudi Ltd, during the period from June 2024G to August 2024G, which was reviewed and updated in September 2025G. The Company engaged the Market Consultant to prepare an exclusive market study report covering the construction works sector and the operation and maintenance works sector. A.T. Kearney Saudi Ltd is an independent provider of consulting services to several sectors (for further information regarding the Market Consultant, please visit its website (www.kenarney.com)).

Neither the Market Consultant or any of its employees forming the engagement team serving the Company nor any of their relatives have any shareholding or interest of any kind in the Company. The Market Consultant has given and, as at the date of this Prospectus, has not withdrawn its written consent to the use of its name, logo and the information supplied by it to the Company in the Market Study Report and this section.

The Directors have no reason to believe that the market and industry information is materially inaccurate. However, such information has not been independently verified by the Company, the Selling Shareholders or any of the Advisors, and, therefore, none of the aforementioned bear any liability for said information. Furthermore, such information should not constitute the sole basis for making a decision on whether to invest in the Offer Shares.

The Market Consultant has undertaken its best efforts to ensure independence and objectivity in preparing Section 3 (*Market Overview*), has exercised due diligence to ensure its accuracy and completeness, and believes that the information contained in said section was obtained from reliable sources. However, the Market Consultant has not verified the accuracy and completeness of the data and information contained in this section. The study has been conducted from a broad perspective in relation to the sector in which the Company operates and does not necessarily reflect the performance of individual companies within it.

The report was based on an analysis of primary and secondary information and information available to the public or to the Market Consultant, and specifically relied on (i) materials and information provided by the Company, including details on the Company, its resources and financial data, as well as discussions with its management regarding its strategic direction; (ii) secondary research drawn from publicly available survey results, market studies and public sources, including those issued by Government agencies, websites of EPC contractors, academic reports, and industry reports issued by construction sector advisory service providers; and (iii) insights obtained from the Market Consultant's network of experts.

While this section represents the Market Consultant's current view of market size, growth and trends, the achievement of forecasts depends on several other factors, such as the timely and effective implementation of the Company's initiatives, technical advancements, regulatory changes and developments, and sector-level trends and movements.

Accordingly, reliance by any person on this section or on the market study does not exempt them from conducting their own due diligence and obtaining professional advice to verify the contents and conclusions thereof. Neither this section nor the market study constitutes legal or investment advice.

Financial Information

The audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G was prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”), as endorsed in the Kingdom and other standards and pronouncements issued by the SOCPA, and were audited or reviewed- as the case may be - by PricewaterhouseCoopers Public Accountants (the “Independent Auditor”) as set out in their independent auditor’s reports and their report on review of condensed interim financial information. The Independent Auditor’s report on review of condensed interim financial information includes an emphasis of matter paragraph drawing attention to Note 1 to the condensed interim financial information, which describes that the condensed interim financial information for the three-month and six-month periods ended 30 June 2025 has been prepared for inclusion in the Company’s Initial Public Offering application to be filled with the Capital Market Authority of the Kingdom of Saudi Arabia (“CMA”) and should not be used for any other purpose. The above-mentioned financial statements are included in Section 18 (*Financial Statements and Independent Auditor’s Report*). The Company publishes its financial statements in Saudi Arabian Riyals.

Forecasts and Forward-Looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of certain assumptions. Future operating conditions may differ from the assumptions used. Consequently, no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain forecasts and statements in this Prospectus constitute, or may be deemed to constitute, “forward-looking statements”. Such statements can generally be identified by their use of forward-looking words such as “intends”, “plans”, “estimates”, “believes”, “expects”, “anticipates”, “may”, “might”, “will”, “should”, “predicts”, “expects” or the negative forms thereof or other similar terms or comparable terminology. These forward-looking statements reflect the views of the Company as at the date of this Prospectus with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (for further information, please refer to Section 2 (Risk Factors)). Should one or more of these risks or uncertainties materialize, or any assumptions prove to be incorrect or inaccurate, the Company’s actual results may vary materially from those described in this Prospectus as estimated, believed, expected or planned.

Pursuant to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA if, at any time after the publication of this Prospectus and before the end of the Offering, the Company becomes aware of: (a) a significant change in any material information contained in this Prospectus; or (b) additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur as expected by the Company or at all. Consequently, prospective investors should consider and review all forward-looking statements in light of these explanations and should not place undue reliance on them.

Definitions and Abbreviations

For details regarding the terms and abbreviations used in this Prospectus, please refer to Section 1 (*Definitions and Abbreviations*).

General Provisions

The financial and statistical information in this Prospectus is subject to rounding to the nearest integer. Accordingly, if the figures contained in the tables are aggregated, there may be minor differences between the figures set out in the audited financial statements and those stated in this Prospectus. Where amounts in this Prospectus are converted from US dollars to Saudi Arabian Riyals, the exchange rate used is SAR 3.75 for every USD 1.

Hijri dates are mentioned in this Prospectus along with their corresponding Gregorian dates as necessary. The Hijri calendar is set based on the predicted moon phases; however, the beginning of each month is determined through observation and actual sighting of the moon. As such, conversions between the Hijri and Gregorian calendars are often subject to discrepancies of one day. Unless otherwise expressly provided in this Prospectus, any references to “year” or “years” is a reference to Gregorian years.

This Prospectus has been prepared using Arabic numerals, namely 1, 2, 3, 4, 5, 6, 7, 8, 9 and 0. Certain figures are formatted to be written in decimal notation, in which a decimal point is placed to the right of the decimal place with the base value. Each digit to the right of this decimal point has a base value of one-tenth of the value of the previous digit to the left. Therefore, the number 135.4 represents the number one hundred thirty-five and four-tenths.

Corporate Directory

The Company's Board of Directors

The Company is managed by a Board of Directors consisting of seven Directors appointed by the Ordinary General Assembly of Shareholders for a maximum term of four years. The General Assembly appointed the current Board of Directors for a four-year term commencing on 22/09/1445H (corresponding to 01/04/2024G) and ending on 05/11/1449H (corresponding to 31/03/2028G). The following table sets out the Board's composition as at the date of this Prospectus:

Table 1: The Company's Directors

No.	Name	Position	Nationality	Status ⁽¹⁾	Direct Ownership ⁽²⁾		Indirect Ownership		Date of Appointment ⁽³⁾
					Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1.	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Chairman	Saudi	Non-Executive	52.500%	32.000%	-	-	14/09/1445H (corresponding to 24/03/2024G)
2.	Terad Damouk Mutlaq Al-Ghowairi	Vice Chairman	Saudi	Non-Executive	22.500%	15.720%	-	-	14/09/1445H (corresponding to 24/03/2024G)
3.	Mutlaq Mohamed Damouk Al-Ghowairi	Director	Saudi	Non-Executive	4.236%	3.500%	-	-	14/09/1445H (corresponding to 24/03/2024G)
4.	Ibrahim Ali Ibrahim Al-Mohsen	Director	Saudi	Independent	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
5.	Emad Obaid Thawab Al-Otaibi	Director	Saudi	Independent	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
6.	Omar Bijad Hudhali Al-Dalbahi	Director	Saudi	Executive	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
7.	Sulaiman Abdulaziz Abdulrahman Al-Zaben	Director	Saudi	Independent	-	-	-	-	07/03/1446H (corresponding to 10/09/2024G) ⁽⁴⁾

Source: The Company.

⁽¹⁾ An independent Director is a non-executive Director who has complete independence in their position and decisions, and none of the independence issues stipulated in the Corporate Governance Regulations apply to them, as follows: (a) owning 5% or more of the shares of the Company or any other company within its group or being a relative of someone who owns such percentage; (b) being a relative of any Director of the Company or any other company within its group; (c) being a relative of any Senior Executive of the Company or of any other company within its group; (d) being a director of another company within the group of the Company for which they are nominated to be a director; (e) being or having been an employee, during the past two years, of the Company or another company within its group or if they held a controlling interest in the Company or any party dealing with the Company or another company within its group, such as auditors or key suppliers, during the previous two years; (f) having a direct or indirect interest in the business and contracts concluded for the Company's benefit; (g) receiving financial consideration from the Company in addition to the remuneration for membership on the Board or any of its Committees exceeding SAR 200,000 or 50% of the remuneration received in the previous year for membership on the Board or any of its Committees, whichever is less; (h) engaging in business that competes with the Company or conducting business in one of the Company's branches of activity; or (i) having served for more than nine years, consecutive or nonconsecutive, as a Director of the Company.

⁽²⁾ The ownership percentages are rounded.

⁽³⁾ Dates listed in this table are the dates of appointment to the current session of the Board. The respective biographies of the Directors in Section 5.3.2 (Biographies of the Directors and the Secretary) show the dates of their appointment, whether to the Board of Directors or any other position.

⁽⁴⁾ Sulaiman Abdulaziz Abdulrahman Al-Zaben was appointed Director on this date, after the number of Directors was increased from six to seven in accordance with the Bylaws issued on 07/03/1446H (corresponding to 10/09/2024G).

Company Address, Representatives and Board Secretary

The Company

Mutlaq Al-Ghowairi Contracting Co.

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Company Representatives

Emad Obaid Thawab Al-Dalbahi Al-Otaibi

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Yahya Mohamed Yahya Al-Yousef

Vice President for Development
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Board Secretary

Majed Mohamed Saad Al-Shalwan

Board Secretary
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Stock Exchange

Saudi Exchange Company (Tadawul)

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Depository Center

Securities Depository Center Company (Edaa)

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من مجموعة تداول السعودية
From Saudi Tadawul Group

Advisors

Financial Advisors

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Morgan Stanley

Bookrunners

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anb capital

Bookrunners

Emirates NBD Capital KSA

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Morgan Stanley

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**Lead Manager****Al Rajhi Capital**

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**Legal Advisor to the Issuer****Kirkland & Ellis International LLP**

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KIRKLAND & ELLIS
كيركلاند أند إليس إنترناشونال للمحاماة

Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters**Gibson, Dunn & Crutcher Law Firm**

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GIBSON DUNN

Financial Due Diligence Advisor**Deloitte Financial Advisory Services LLP**

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**Company's Independent Auditor****PricewaterhouseCoopers Public Accountants**

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Note: All of the above-mentioned advisors have given and, as at the date of this Prospectus, have not withdrawn their written consent to the reference to and inclusion of their names, addresses, logos, statements and reports, as applicable, in the form in which they appear in this Prospectus, and do not themselves, their employees forming the engagement team providing services to the Company, or any of their relatives have any shareholding or interest of any kind in the Company as at the date of this Prospectus which would impair their independence. The Independent Auditor has also given and, as at the date of this Prospectus, has not withdrawn its written consent to the reference to and inclusion of its name, logo and statements in the form in which they appear in this Prospectus. Furthermore, neither the Independent Auditor nor its employees -forming the engagement team providing services to the Company- or any of their relatives have any shareholding or interest of any kind in the Company as at the date of this Prospectus which would impair their independence.

Receiving Agents

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Derayah Financial

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الإنماء المالية
alinma capital 

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الاستثمار كابيتال
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Fax: +966 (11) 205 4827
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يقين
Yaqeen 

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الجزيرة كابيتال
aljazeera capital 

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الخبر المالية
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 Sahm

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GIB | جي آي بي كابيتال
CAPITAL

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**EFG Hermes KSA**

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**Dinar Company**

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Offering Summary

This Offering summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all the information that may be important to prospective investors. Accordingly, this summary should be read as an introduction to this Prospectus, and prospective investors should read this entire Prospectus in full. Any decision to invest in the Offer Shares by prospective investors should be based on a consideration of this Prospectus as a whole. In particular, it is important to carefully consider the “*Important Notice*” section on page (i) and Section 2 (*Risk Factors*) of this Prospectus prior to making any investment decision with respect to the Offer Shares.

Company Name, Description and Incorporation	Mutlaq Al-Ghowairi Contracting Co. is a Saudi closed joint stock company converted pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G), with Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), issued in Riyadh, Kingdom of Saudi Arabia. The address of the Company's headquarters is Abi Al Hasan Ali Ibn Makki Street, Al Andalus District, P.O. Box 3852, Riyadh 13212, Kingdom of Saudi Arabia. The Company's current share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares, with a fully paid nominal value of one Saudi Arabian Riyal (SAR 1) per Share (the “Shares”). The Company commenced its business activities in 1977G as a sole proprietorship under the name “Mutlaq Al-Ghowairi Contracting Establishment”, owned by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, under Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), with a share capital of SAR 200,000. Pursuant to the Articles of Association notarized on 23/05/1428H (corresponding to 09/06/2007G), the sole proprietorship, along with its rights and obligations, was converted into a limited liability company under the name “Mutlaq Al-Ghowairi Contracting Co.” with a share capital of SAR 1,000,000, divided into 1,000 Shares with a nominal value of SAR 1,000 per Share. The net assets of the abovementioned corporation were valued at SAR 800,000. Pursuant to the shareholders' resolution dated 29/06/1438H (corresponding to 28/03/2017G), the shareholders approved the conversion of the Company from a limited liability company to a closed joint stock company with a share capital of SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, and the Company's conversion was announced pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G). On 20/09/1441H (corresponding to 13/05/2020G), the Shares held by the late shareholder Mohamed Damouk Mutlaq Al-Ghowairi, amounting to 30,000 Shares, were transferred upon his death to his 16 heirs. On 27/11/1441H (corresponding to 18/07/2020G), Neuer Madkhal Al-Ghowairi sold all her Shares in the Company, amounting to 5,000 Shares, representing 5.0% of the Company's total share capital at the time, to Terad Damouk Mutlaq Al-Ghowairi. On 14/02/1442H (corresponding to 01/10/2020G), Terad Damouk Mutlaq Al-Ghowairi sold 2,500 Shares, representing 2.5% of the Company's total Shares at the time, to Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi. On 13/09/1442H (corresponding to 25/04/2021G), Amsha Mutaib Ghazi Al-Otaibi sold all her Shares in the Company, amounting to 1,875 Shares, representing 1.87% of the Company's total share capital at the time, to Mutlaq Mohamed Damouk Al-Ghowairi. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 02/05/1445H (corresponding to 16/11/2023G), the Company's share capital was increased from SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, to SAR 300,000,000, divided into 30,000,000 Shares with a nominal value of SAR 10 per Share, through the capitalization of SAR 299,000,000 from the retained earnings account. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 16/07/1445H (corresponding to 28/01/2024G), the nominal value of the Company's Shares was reduced from SAR 10 per Share to SAR 1. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 14/09/1445H (corresponding to 24/03/2024G), the Company's share capital was increased from SAR 300,000,000, divided into 30,000,000 Shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per Share, to SAR 800,000,000, divided into 800,000,000 Shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per Share, through the capitalization of SAR 500,000,000 from the retained earnings account (for further details regarding the Company's history, see Section 4.3 (<i>Corporate History and Evolution of Share Capital</i>)).
Company's Activities	In accordance with its Bylaws, the Company's activities consist of the following: - water collection, treatment and delivery; - construction of buildings; - construction of roads and railway lines; - construction of utility projects; - construction works related to other civil engineering projects; - electrical installations; - plumbing, heating and air conditioning works; - other construction installations; - land transportation of goods; - transportation via pipelines; - service activities related to land transportation; and - cleaning buildings and other industrial cleaning activities. In accordance with its Commercial Register, the Company's activities are as follows: - general construction of Government buildings; - construction of roads, streets, sidewalks, and road appurtenances; - construction of bridges and tunnels; - construction of railway lines; - construction of aircraft runways; - repair and maintenance of roads, streets, sidewalks, and road appurtenances;

Company's Activities

- extension of pipes of all kinds for electricity, communications, and other purposes;
- extension of oil and gas pipelines;
- extension of water lines between and within cities and construction of new networks;
- construction of stations and main lines for water distribution;
- construction of irrigation and watering canals and main water storage towers;
- construction of sewage stations and projects, sewer networks, and pumps;
- construction of port berths and marine facilities;
- construction of dams;
- construction works for military fields;
- network extensions;
- installation and maintenance of fire alarm systems and equipment;
- installation and maintenance of traffic safety devices;
- installation, maintenance and repair of solar energy networks;
- installation, maintenance and repair of cooling and air conditioning systems;
- extension, maintenance and repair of fire pipes;
- extension, maintenance and repair of irrigation pipes;
- installation, repair and maintenance of lightning arresters;
- land transportation of goods;
- water transmission via pipelines;
- railway infrastructure;
- environmental sanitation service activities;
- road cleaning activities; and
- repair and maintenance of bridges and tunnels.

As at the date of this Prospectus, the Company's business is divided into two main segments:

- **Construction Works:** The Company undertakes engineering, procurement and construction (EPC) projects related to infrastructure in the water, transportation and urban development sectors, as well as other construction projects including asset enhancement projects (for further details regarding construction works, see Section 4.7.1.1 (*Construction Works Segments*)); and
- **Operation and Maintenance Works:** The Company undertakes operation and maintenance works related to infrastructure projects in the water and transportation sectors (for further details regarding operation and maintenance works, see Section 4.7.2.1 (*Operation and Maintenance Works Segments*)).

The following table sets out the Substantial Shareholders who directly own 5% or more of the Company's Shares and the Shareholders Acting in Concert, along with their respective shareholdings and ownership percentages in the Company Pre- and Post-Offering:

Table 2: Substantial Shareholders and Shareholders Acting in Concert and Their Direct Ownership Percentages in the Company Pre- and Post-Offering

Shareholder	Pre-Offering (Directly)			Post-Offering (Directly)		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Moudi Ajmi Sanhat Al-Otaibi ⁽²⁾	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Total	652,792,000	81.599%	652,792,000	434,552,000	54.319%	434,552,000

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ The guardianship of Moudi Ajmi Sanhat Al-Otaibi over her minor children has been considered as acting in concert.

Company's Share Capital	SAR 800,000,000.
Total Number of Shares	800,000,000 fully paid ordinary Shares.
Nominal Value per Share	SAR 1 per Share.
Offering	Offering of 240,000,000 ordinary shares with a fully paid nominal value of SAR 1 per Share, representing 30.00% of the Company's share capital, at an Offer Price of SAR [●] per Share.
Total Number of Offer Shares	240,000,000 fully paid ordinary shares.
Offer Shares as a Percentage of the Total Number of Issued Shares	The Offer Shares represent 30.00% of the Company's total share capital.
Offer Price	SAR [●] per Share.
Total Value of Offer Shares	SAR [●].
Use of Offering Proceeds	The Net Offering Proceeds amounting to approximately SAR [●] (after deduction of the Offering expenses estimated at approximately SAR 150,000,000), will be distributed among the Selling Shareholders on a pro rata basis according to the number of Offer Shares being sold by each Selling Shareholder. The Company will not receive any portion of the Offering Proceeds (for further details, refer to Section 8 (<i>Use of Offering Proceeds</i>)).
Total Number of Shares Underwritten	240,000,000 ordinary Shares.
Total Offering Amount Underwritten	SAR [●].
Categories of Target Investors	Subscription to the Offer Shares is restricted to two tranches of Investors: Tranche (A) Participating Parties: This tranche comprises a group of institutions and companies including GCC investment funds, companies and institutions (for further details, see Section 1 (<i>Definitions and Abbreviations</i>)); and Tranche (B) Individual Subscribers: This tranche comprises any natural person who has an investment account and an active investment portfolio with a Receiving Agent or is entitled to open an investment account with a Capital Market Institution. A subscription for the Offer Shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proven to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be deemed void and only the first subscription will be considered.
Total Number of Shares Offered for Each Target Investor Category	
Number of Shares Offered for Participating Parties	240,000,000 Shares, representing 100% of the Offer Shares. If there is sufficient demand from Individual Subscribers, and the Participating Parties subscribe to all the Offer Shares allocated to them, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Shares allocated to Participating Parties to 168,000,000 Offer Shares, representing 70% of the Offer Shares.
Number of Offer Shares Offered for Individual Subscribers	A maximum of 72,000,000 Shares, representing 30% of the Offer Shares.
Subscription Method for Each Target Investor Category	
Subscription Method for Participating Parties	Participating Parties may apply for participation in the book-building process by completing Bid Forms that will be provided by the Bookrunners to the Participating Parties during the book-building period. After provisional allocation, Participating Parties shall complete the Subscription Forms for Participating Parties that will be made available to them by the Bookrunners in accordance with the instructions mentioned in Section 16 (<i>Subscription Terms and Conditions</i>).
Subscription Method for Individual Subscribers	Individual Subscribers wishing to subscribe for the Offer Shares must submit subscription applications electronically via the websites and electronic platforms of the Receiving Agents that offer such service to Subscribers, or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe for the Company's Shares during the Offering Period (for further details, refer to Section 16 (<i>Subscription Terms and Conditions</i>)).
Minimum Number of Offer Shares to be Applied for by Each Target Investor Category	
Minimum Number of Offer Shares to be Applied for by Participating Parties	25,000 Offer Shares.

Minimum Number of Offer Shares to be Applied for by Individual Subscribers	10 Offer Shares.
Minimum Subscription Amount for Each Target Investor Category	
Minimum Subscription Amount for Participating Parties	SAR [●].
Minimum Subscription Amount for Individual Subscribers	SAR [●].
Maximum Number of Offer Shares to be Applied for by Each Target Investor Category	
Maximum Number of Offer Shares to be Applied for by Participating Parties	39,999,999 Offer Shares and, in relation to public funds only, no more than the maximum number of Offer Shares to be calculated for each participating public fund pursuant to the Book-Building Instructions.
Maximum Number of Offer Shares to be Applied for by Individual Subscribers	2,500,000 Offer Shares.
Maximum Subscription Amount for Each Target Investor Category	
Maximum Subscription Amount for Participating Parties	SAR [●].
Maximum Subscription Amount for Individual Subscribers	SAR [●].
Method of Allocation and Refund of Excess Subscription Monies for Each Target Investor Category	
Allocation of Offer Shares to Participating Parties	The number of Offer Shares to be provisionally allocated to Participating Parties is 240,000,000 ordinary Shares, representing 100% of the Offer Shares, with the final allocation scheduled to take place after the subscription period for Individual Subscribers. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to 168,000,000 ordinary Shares as a minimum, representing 70% of the Offer Shares. The number and percentage of Offer Shares that will be allocated to Participating Parties will be determined by the Financial Advisors, in coordination with the Company, using the discretionary allocation mechanism. Accordingly, certain Participating Parties may not be allocated any Offer Shares.
Allocation of Offer Shares to Individual Subscribers	Allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than 07/01/1448H (corresponding to 22/06/2026G). Each Individual Subscriber who subscribes to the Offer Shares must apply for a minimum of 10 Offer Shares, while the maximum number of Offer Shares that can be subscribed for is 2,500,000 Offer Shares. The minimum allocation is 10 ordinary Shares per Individual Subscriber. The balance of Offer Shares, if any, will be allocated pro-rata based on the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares subscribed for. If the number of Individual Subscribers exceeds 7,200,000 Subscribers, the Company will not guarantee the minimum allocation of 10 Shares per Subscriber. In such case, the allocation will be made as deemed appropriate by the Financial Advisors in coordination with the Company.
Refund of Excess Subscription Monies	Excess subscription monies, if any, will be refunded to Subscribers without any charge or commission being withheld by the Lead Manager or the Receiving Agents, as applicable. The final allocation will be announced no later than 07/01/1448H (corresponding to 22/06/2026G) (for further details, see the “Key Dates and Subscription Procedures” section on page (xx) of this Prospectus and Section 16 (<i>Subscription Terms and Conditions</i>)).
Offering Period	The Offering will commence on 29/12/1447H (corresponding to 15/06/2026G) until the end of Wednesday on 02/01/1448H (corresponding to 17/06/2026G) (for further details, see the “Key Dates and Subscription Procedures” section on page (xx) of this Prospectus).
Entitlement to Dividends	Holders of the Offer Shares are entitled to receive their portion of any dividends declared by the Company as at the date of this Prospectus (for further details, please refer to Section 7 (<i>Dividend Distribution Policy</i>)).
Voting Rights	All of the Company’s Shares are ordinary shares of one class. None of the Shares carries any preferential voting rights. Each Share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly. A Shareholder has the right to delegate another person, other than a Director of the Company, to attend and vote on resolutions at General Assembly meetings (for further details, see Section 11.15 (<i>Summary of the Company’s Bylaws</i>) and Section 11.16 (<i>Description of Shareholder Rights</i>)).

Restrictions on the Shares (Lock-up Period)	The Current Substantial Shareholders and the Shareholders Acting in Concert are subject to a Lock-up Period of six months from the date on which trading of the Company's Shares commences on the Exchange, during which they may not dispose of any of their Shares. Following the end of the Lock-up Period, the Substantial Shareholders and Shareholders Acting in Concert shall have the right to dispose of their Shares (for further details regarding the Substantial Shareholders and the Shareholders Acting in Concert, please refer to Table 2 (<i>Substantial Shareholders and Shareholders Acting in Concert and Their Direct Ownership Percentages in the Company Pre- and Post-Offering</i>)).
Listing of Shares	Prior to the Offering, the Shares have not been listed in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offer of its securities in accordance with the Rules on the Offer of Securities and Continuing Obligations, and an application to the Exchange for the listing of its Shares in accordance with the Listing Rules. All of the necessary official approvals required to conduct the Offering have been granted. It is expected that trading of the Shares will commence on the Exchange after the final allocation of the Offer Shares (for further details, refer to the "Key Dates and Subscription Procedures" section on page (xx) of this Prospectus).
Risk Factors	There are certain risks related to investment in the Offer Shares. These risks can be categorized into: (i) risks related to the operations of the Company; (ii) risks related to the market, industry and regulatory environment; and (iii) risks related to the Offer Shares. These risks are described in Section 2 (<i>Risk Factors</i>) and the "Important Notice" section on page (i) of this Prospectus and should be considered carefully prior to making any investment decision in relation to the Offer Shares.
Offering Expenses	The Selling Shareholders will bear all of the Offering expenses and costs, estimated at approximately SAR 150,000,000. These expenses will be deducted from the Offering Proceeds and include the fees of the Financial Advisors, the Lead Manager, the Bookrunners, the Underwriters, the Legal Advisor to the Issuer, the Financial Due Diligence Advisor, the Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters, the Receiving Agents, the Market Consultant and the Independent Auditor, as well as marketing, printing and distribution costs, regulatory fees, and other expenses related to the Offering.
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Note: The "Important Notice" section on page (i) of this Prospectus and Section 2 (*Risk Factors*) should be read thoroughly prior to making an investment decision with respect to the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Table 3: Expected Offering Timetable

Expected Offering Timetable	
Event	Date
Bidding and Book-Building Period for Participating Parties	A period of five (5) days, commencing on 14/12/1447H (corresponding to 31/05/2026G), until the end of Thursday 18/12/1447H (corresponding to 04/06/2026G).
Deadline for Submission of Subscription Application Forms Based on the Number of the Offer Shares Provisionally Allocated to Each of the Participating Parties	Wednesday 24/12/1447H (corresponding to 10/06/2026G).
Subscription Period for Individual Subscribers	A period of three (3) days, commencing on Monday 29/12/1447H (corresponding to 15/06/2026G) until the end of Wednesday 02/01/1448H (corresponding to 17/06/2026G).
Deadline for Payment of Subscription Amounts by Participating Parties Based on the Offer Shares Provisionally Allocated to Each of Them	Sunday 28/12/1447H (corresponding to 14/06/2026G).
Deadline for Submission of Subscription Application Forms and Payment of Subscription Amounts by Individual Subscribers	Wednesday 02/01/1448H (corresponding to 17/06/2026G).
Announcement of the Final Allocation of the Offer Shares	No later than 07/01/1448H (corresponding to 22/06/2026G).
Refund of Excess Subscription Monies (if any)	No later than 08/01/1448H (corresponding to 23/06/2026G).
Expected Commencement Date for Trading of the Shares on the Exchange	Trading of the Company's Shares on the Exchange is expected to commence after the fulfillment of all requirements and completion of all relevant legal procedures. The commencement date for trading of the Shares will be announced in Tadawul's website (www.saudiexchange.sa).

Note: The above timetable and the dates therein are indicative and subject to change. Actual dates will be communicated through the websites of Tadawul (www.saudiexchange.sa), the Financial Advisors (www.alrajhi-capital.com and www.morganstanley.com) and the Company (www.mgc.com.sa).

How to Apply for the Offer Shares

Subscription is restricted to two tranches of Investors as follows:

- **Tranche (A):** Participating Parties: This tranche comprises parties who are entitled to participate in the book-building process in accordance with the Book-Building Instructions (as defined in Section 1 (*Definitions and Abbreviations*)) including investment funds, GCC and foreign companies and institutions (for further details, see Section 1 (*Definitions and Abbreviations*)) and Section 16 (*Subscription Terms and Conditions*)); and
- **Tranche (B):** Individual Subscribers: This tranche comprises any natural person who has an investment account and an active investment portfolio with a Receiving Agent or is entitled to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proven to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be deemed void and only the first subscription will be considered.

A. Participating Parties

Participating Parties may apply for participation in the book-building process by completing Bid Forms that will be provided by the Bookrunners during the book-building period and by obtaining Subscription Forms for Participating Parties from the Bookrunners after provisional allocation. After obtaining the approval of the CMA, the Bookrunners shall offer the Offer Shares to Participating Parties during the book-building period only. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunners, representing a legally binding agreement between the Selling Shareholders and the relevant Participating Party submitting the same.

B. Individual Subscribers

Individual Subscribers wishing to subscribe for the Offer Shares must submit subscription applications electronically via the websites and electronic platforms of the Receiving Agents that offer such service to Subscribers, or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe for the Company's Shares during the Offering Period, provided that:

- a. the Individual Subscriber has an investment account and an active investment portfolio with one of the Receiving Agents who offer such services; and
- b. there have been no changes in the personal information of the Individual Subscriber since their subscription in a recent initial public offering.

Subscription Application Forms must be filled out by each applicant according to the instructions mentioned in Section 16 (*Subscription Terms and Conditions*). Applicants must complete all of the relevant sections of the Subscription Application Form. The Company reserves the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions are not met. After being submitted, the Subscription Application Form cannot be amended or withdrawn. If a Subscription Application Form is submitted twice, the second submission shall be deemed void, and only the first submission shall be considered. Upon submission, the Subscription Application Form constitutes a legally binding agreement between the relevant Subscriber and the Selling Shareholders (for further details, see Section 16 (*Subscription Terms and Conditions*)).

Excess subscription monies, if any, will be refunded to the primary Individual Subscriber's account held with the Receiving Agent from which the subscription amount was initially debited, without any charge or commission being withheld by the Lead Manager or the Receiving Agents. Excess subscription monies shall not be refunded in cash or to third-party accounts.

For further information regarding subscription by Individual Subscribers or Participating Parties, see Section 16 (*Subscription Terms and Conditions*).

Summary of Key Information

This summary of key information is intended to give an overview of the information contained in this Prospectus. However, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary must be treated as an introduction to this Prospectus. Persons wishing to subscribe for the Offer Shares are advised to read the entire Prospectus in full to ensure that any decision to invest in the Offer Shares by prospective investors is based on the careful consideration of this Prospectus as a whole. In particular, the “*Important Notice*” section on page (i) and Section 2 (*Risk Factors*) of this Prospectus should be carefully considered prior to making an investment decision with respect to the Offer Shares. Investors should not base their decision solely on this summary. The definitions and abbreviations mentioned in this Prospectus shall have the meanings assigned thereto in Section 1 (*Definitions and Abbreviations*) and elsewhere in this Prospectus.

Overview of the Company and its Business

Mutlaq Al-Ghowairi Contracting Co. is a Saudi closed joint stock company converted pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G), with Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), issued in Riyadh, Kingdom of Saudi Arabia. The address of the Company’s headquarters is Abi Al Hasan Ali Ibn Makki Street, Al Andalus District, P.O. Box 3852, Riyadh 13212, Kingdom of Saudi Arabia. The Company’s current share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares, with a fully paid nominal value of one Saudi Arabian Riyal per Share.

The Company holds a leading position in the fields of construction works and operation and maintenance works for infrastructure projects in the water, transportation, and urban development sectors. It commenced its operations in 1977G and relies on nearly five decades of experience in contributing to the completion of major infrastructure projects within the Kingdom, with a firm commitment to the safety of its employees, community, facilities and environment, and a constant pursuit of prudent management of its human and financial resources, which exceeded 4,300 employees and over 1,300 pieces of equipment as at 30 June 2025G.

The Company’s business is divided into two main segments:

- **Construction Works:** The Company undertakes engineering, procurement, and construction (EPC) projects related to infrastructure in the water, transportation and urban development sectors, as well as other construction projects including asset enhancement projects (for further details regarding construction works, please see Section 4.7.1.1 (*Construction Works Segments*)); and
- **Operation and Maintenance Works:** The Company undertakes operation and maintenance works related to infrastructure projects in the water and transportation sectors (for further details regarding the operation and maintenance works, please see section 4.7.2.1 (*Operation and Maintenance Works Segments*)).

The Company’s business model is centered on providing integrated and specialized services in infrastructure projects and delivering tailored solutions designed to meet the individual needs of its clients. This model spans multiple phases, from design and supply through construction and development, and ultimately the operation and maintenance of such projects, in each case in accordance with the relevant contractual scope. This model enables the Company to effectively manage project costs and maintain its profit margins. It also allows its clients to engage with a single contracting party, the Company, rather than sourcing, contracting and coordinating with multiple contractors, thereby reducing the complexity and enhancing overall project efficiency (for further details on the Company’s business, see Section 4.7 (*Overview of the Company’s Business*)).

Vision 2030 has created opportunities in the infrastructure industry through the launch of 42 initiatives. The Company has participated in a number of projects arising from these initiatives, such as the water transmission, Green Riyadh and Waad Al-Shamal City projects, which have supported the expansion of the Company’s business, strengthened its operational platform, and contributed positively to its revenue and profitability. Looking ahead, the Company seeks to reinforce its position as a long-term strategic partner in the delivery of Vision 2030-related projects and initiatives, leveraging its accumulated expertise and long-standing relationships with the key stakeholders in the market (for further information on the infrastructure programs and projects stemming from Vision 2030, refer to Section 4.13 (*Overview of the Infrastructure Programs and Projects Emanating from Vision 2030 and Their Impact on the Company’s Business*)).

The Company operates in a specialized industry focused on the construction, operation, and maintenance of major infrastructure projects. The execution of such projects requires substantial resources, resulting in a selective and growing client base of strategic partners, totaling 13 clients as at 31 December 2025G. Leveraging relationships, expertise, and best practices accumulated over five decades of collaboration with suppliers and strategic partners, the Company continues to strengthen client access, enhance service quality, and improve operational efficiency—contributing to the long-term, sustainable maximization of shareholder value.

The Company maintains a strong financial position and a flexible capital structure owing to the absence of any outstanding indebtedness as at 13/11/1447H (corresponding to 30/04/2026G). Despite its strong creditworthiness with banks and the various on demand facilities available to the Company from multiple banks amounting to approximately SAR 10.8 billion as at 31 December 2025G, the Company has elected not to utilize these cash facilities since its establishment and up to the date of this Prospectus. The Company has instead financed its operations through cash flow generated from its operating activities. This financial position provides the Company with greater opportunities to expand its business and operations, access financing at lower costs when deemed appropriate and adapt to changing economic conditions, particularly in light of the cyclical fluctuations that may affect the contracting industry (for further information on the Company's financial performance, see Section 6 (*Management Discussion and Analysis of Financial Position and Results of Operations*)).

The Company's contracts revenue grew by approximately 41.6% between 2022G and 2024G, rising from SAR 2,286.4 million for the financial year ended 31 December 2022G, to SAR 3,237.5 million for the financial year ended 31 December 2024G. The Company's contracts revenue reached its highest level for the financial year ended 31 December 2023G, amounting to SAR 3,300.3 million. The Company's contracts revenue also reached SAR 1,495.9 million for the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the Company's contracts revenue were SAR 1,552.6 million.

The profit for the year also increased by approximately 97.9% between 2022G and 2024G, rising from SAR 611 million during the financial year ended 31 December 2022G to SAR 1,209.4 million during the financial year ended 31 December 2024G. The profit for the year reached its highest level during the financial year ended 31 December 2023G, amounting to SAR 1,488.2 million. During the six-month period ended 30 June 2025G, the profit for the period reached SAR 419.8 million, compared to the six-month period ended 30 June 2024G, where the profit for the period was SAR 751 million. Likewise, the Company achieved growth in its net profit margin between 2022G and 2024G, with an increase of approximately 40.1%, from 26.7% during the financial year ended 31 December 2022G to 37.4% during the financial year ended 31 December 2024G. The Company's net profit margin reached its highest level during the financial year ended 31 December 2023G, at 45.1%. The net profit margin was 28.1% during the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the net profit margin was 48.4%.

Total assets amounted to SAR 1,918.3 million, SAR 2,389.9 million, SAR 3,374.5 million and SAR 3,735.1 million, while total liabilities amounted to SAR 967.6 million, SAR 550.4 million, SAR 723.4 million and SAR 812.9 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively.

Overview of the Company's Share Capital Evolution

The Company commenced its business activities in 1977G as a sole proprietorship under the name "Mutlaq Al-Ghowairi Contracting Establishment", owned by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, under Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), with a share capital of SAR 200,000. Pursuant to the Articles of Association notarized on 23/05/1428H (corresponding to 09/06/2007G), the sole proprietorship, along with its rights and obligations, was converted into a limited liability company under the name "Mutlaq Al-Ghowairi Contracting Co." with a share capital of SAR 1,000,000, divided into 1,000 Shares with a nominal value of SAR 1,000 per Share. The net assets of the abovementioned corporation were valued at SAR 800,000. Pursuant to the shareholders' resolution dated 29/06/1438H (corresponding to 28/03/2017G), the shareholders approved the conversion of the Company from a limited liability company to a closed joint stock company with a share capital of SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, and the Company's conversion was announced pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G). On 20/09/1441H (corresponding to 13/05/2020G), the Shares held by the late shareholder Mohamed Damouk Mutlaq Al-Ghowairi, amounting to 30,000 Shares, were transferred upon his death to his 16 heirs. On 27/11/1441H (corresponding to 18/07/2020G), Neuer Madkhal Al-Ghowairi sold all her Shares in the Company, amounting to 5,000 Shares, representing 5.0% of the Company's total share capital at the time, to Terad Damouk Mutlaq Al-Ghowairi. On 14/02/1442H (corresponding to 01/10/2020G), Terad Damouk Mutlaq Al-Ghowairi sold 2,500 Shares, representing 2.5% of the Company's total Shares at the time, to Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi. On 13/09/1442H (corresponding to 25/04/2021G), Amsa Mutaib Ghazi Al-Otaibi sold all her Shares in the Company, amounting to 1,875 Shares, representing 1.87% of the Company's total share capital at the time, to Mutlaq Mohamed Damouk Al-Ghowairi. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 02/05/1445H (corresponding to 16/11/2023G), the Company's share capital was increased from SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, to SAR 300,000,000, divided into 30,000,000 Shares with a nominal value of SAR 10 per Share, through the capitalization of SAR 299,000,000 from the retained earnings account. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 16/07/1445H (corresponding to 28/01/2024G), the nominal value of the Company's Shares

was reduced from SAR 10 per Share to SAR 1. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 14/09/1445H (corresponding to 24/03/2024G), the Company's share capital was increased from SAR 300,000,000, divided into 300,000,000 Shares with a nominal value of SAR 1 per Share, to SAR 800,000,000, divided into 800,000,000 Shares with a nominal value of SAR 1 per Share, through the capitalization of SAR 500,000,000 from the retained earnings account (for further details regarding the Company's history, see Section 4.3 (*Corporate History and Evolution of Share Capital*)).

Ownership Structure of the Company

As at the date of this Prospectus, the Company's share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares with a fully paid nominal value of SAR 1 per Share. The following table sets out the direct ownership structure of the Company pre- and post-Offering:

Table 4: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi ⁽²⁾	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi ⁽²⁾	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Mutlaq Mohamed Damouk Al-Ghowairi ⁽²⁾	33,888,000	4.236%	33,888,000	28,000,000	3.500%	28,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdullah Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Nayef Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Moudi Ajmi Sanhat Al-Otaibi	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Nada Mohamed Damouk Al-Ghowairi	9,448,000	1.181%	9,448,000	9,448,000	1.181%	9,448,000
Nouf Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Wafaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Asmaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Reem Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Shatha Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Noura Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Hind Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Public ⁽³⁾	-	-	-	240,000,000	30.000%	240,000,000
Total	800,000,000	100%	800,000,000	800,000,000	100%	800,000,000

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ Selling Shareholder.

⁽³⁾ The "Public" row represents the number and percentage of Shares being offered to the Public under the Offering, amounting to 240,000,000 Shares, equivalent to 30.00% of the Company's share capital. This does not include the shares that will be owned after the Offering by certain Current Shareholders who meet the definition of "public" under the CMA regulations, namely Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, Hind Mohamed Damouk Al-Ghowairi, and Nada Mohamed Damouk Al-Ghowairi. Thus, the total number of Shares owned by the Public after the Offering will be 337,448,000 Shares, representing 42.181% of the Company's share capital.

The Company's Vision, Mission and Strategy

Vision

To build a sustainable and innovative future for the Kingdom and elsewhere, with a focus on delivering exceptional quality and ensuring the safety of our projects and the well-being of our communities.

Mission

We are committed to providing exceptional services in engineering, procurement, construction, operation and maintenance within the Kingdom. We also strive to support Vision 2030 by providing innovative and sustainable solutions that uphold the highest standards of quality and safety, while ensuring client satisfaction and capturing strategic opportunities across all countries in the Gulf Cooperation Council.

Values

The Company's values represent a set of core principles that guide its employees and management in conducting business:

- **Transparency and Integrity:** Our clients' trust is our most valuable asset, and we are committed to maintaining an integrated framework founded on transparency and integrity;
- **Compliance with Safety Controls:** The safety of our employees and the broader community is a top priority and the Company is dedicated to upholding the highest safety standards;
- **Client-Centric:** We believe that the most effective way to maximize our Shareholders' value in a sustainable manner is by fostering a culture centered around our clients, through understanding their needs, meeting their expectations, listening to their comments, and addressing them efficiently;
- **Commitment to Sustainability:** We seek to follow a sustainable approach in conducting our operations, ensuring the Company's long-term prosperity through the use of environmentally friendly materials, green building technologies and renewable energy;
- **Responding and Adapting to Change:** We operate in a volatile, dynamic and evolving sector, and we believe it is fundamental to proactively anticipate changes and adapt to them when they occur; and
- **Adopting Governance:** We seek to adopt the best governance practices across our business and operations.

Strategy

- **Meeting Client Expectations and Optimizing Project Performance**

Delivering projects in accordance with specified timelines and standards is a key pillar of the Company's strategy. Adherence to project deadlines ensures timely completion, upholds the Company's reputation as a reliable partner capable of meeting its contractual obligations, prevents additional costs arising from delays, ensures obtaining new projects from existing clients, maintains stable cash flows and reduces reliance on short-term borrowings. These factors strengthen the Company's capabilities, financial position and profitability, maximize Shareholder value and provide a solid foundation for sustainable growth.

- **Sustainable Development of the Company's Business and Operations**

The Company actively seeks to expand its market share in infrastructure projects, particularly in the water, transport and urban development sectors, by increasing the number and value of the projects in which the Company is engaged by increasing its participation in the bids and tenders on offer. As at 31 December 2025G, the Company had submitted bids for 40 tenders with an aggregate value of approximately SAR 33.6 billion to various entities, including Riyadh Municipality, the National Water Company, the Saudi Water Authority, and the Saudi Water Partnership Company. The Company also seeks to leverage the advantages it has gained and the expertise it has developed in the water, transport and urban development sectors to capitalize on available opportunities therein, including the National Water Strategy 2030G, the seven-year (2022G-2028G) strategy of the Saudi Water Partnership Company, the National Transport and Logistics Strategy, the Green Riyadh Project, the Saudi Green Initiative, the Road Sector Strategy, and initiatives to reuse treated wastewater. In addition, it continues to pursue works and projects related to these sectors, including, for example, sewage treatment plants, digitalization solutions for water infrastructure, and the development of industrial and residential infrastructure projects.

- **Creating a Unique Brand Identity**

The Company seeks to establish a distinctive brand identity through the adoption of a comprehensive marketing strategy built on a unified message and visual identity across all platforms, strengthening its digital presence and maintaining active participation in forums, seminars, and events relevant to its business. Increased brand awareness and strong client relationships enhance the Company's position in the industry, enabling it to reach new clients in targeted markets and drive growth in revenue and profitability.

- **Enhancing and Sustaining Profitability Levels**

The Company aims to sustain and enhance its profitability through a clear strategic approach to project selection. In selecting projects, the Company considers several factors, including the project's scope, size and duration, availability of required resources, and the nature of the client and competitors. Projects are pursued to either increase profitability or strengthen the Company's strategic positioning and expand its market share. The Company also believes that major infrastructure projects, particularly those of a complex nature, entail substantial costs, such as obtaining guarantees, securing specialized technical expertise, employing trained labor and acquiring appropriate equipment, which together create barriers to entry for competitors. The limited competition in the industry is reflected in the small number of entities participating in the tenders in which the Company bids, allowing it to select suitable projects and maintain a distinctive level of profitability.

- **Belief in the Importance of Governance**

The Company is committed to adopting best practices in the governance of its business and operations. This commitment extends beyond compliance with relevant regulatory frameworks to fostering a corporate culture that embraces governance as a guiding principle across all activities, thereby enhancing transparency and accountability, ensuring sustainability and protecting the interests of all stakeholders, including the Company's Shareholders, clients, employees, suppliers and the wider community.

- **Maximizing Shareholder Value**

The Company's foremost commitment is to maximize its Shareholder value by achieving sustainable growth in its business while effectively managing associated costs. The Company is also dedicated to strengthening its relationship with its Shareholders through transparent and effective communication, enabling them to gain a clear understanding of the Company's direction and financial performance.

- **Focus on Environmental Sustainability**

The Company supports the Kingdom's infrastructure needs, particularly in the water sector, by constructing, operating and maintaining projects that protect the Kingdom's water resources, secure water supplies for the population and provide wastewater treatment solutions, thereby reducing the consumption of natural water resources and preserving them for future generations. The Company also implements flood mitigation projects that lessen the impact of natural disasters arising from climate change. In the transportation sector, the Company's projects contribute to facilitating the movement of goods and reducing emissions. Moreover, the Company incorporates environmentally friendly materials, green building technologies and renewable energy solutions in the projects it executes.

- **Consolidating Relationships with the Company's Strategic Clients and Suppliers**

In relation to its infrastructure construction, maintenance and operation projects, the Company maintains an extensive network of clients (government entities and private ones), suppliers, subcontractors, consultants and providers of technical and financial solutions.

The Company seeks to strengthen its relationships with existing and prospective clients, including Government entities such as the Saudi Water Authority, the Ministry of Transport and Logistic Services and Riyadh Municipality; semi-Governmental entities such as Roshn, Qiddiya, Red Sea Global, the National Water Company and the Saudi Water Partnership Company; and various private entities including Al Haer Environmental Services Company (which is concerned with operating a project belonging to a Government entity). These relationships contribute to maintaining the quality of the Company's project portfolio.

The Company also seeks to optimize its dealings with its suppliers, including Siemens, ABB Electrical Industries, Arabian International Co. for Steel Structures, Alzamil Metal Works Factory, Torishima Pumps MFG, and KSB Pumps Arabia Ltd Company, which limits the risks of unavailability of materials, delivery delays or price fluctuations.

The Company has consistently secured projects independently and executed them through its own capabilities or its subcontractors, given its robust financial position and strong reputation with clients. The Company also views consortiums with other companies operating in the sector as an important opportunity to expand its business, enhance profitability and manage associated risks. This is in addition to leveraging the expertise of leading companies in technical solutions, particularly in strategic segments such as water facilities, environmental facilities and sewage systems, and applying this expertise to the Company's projects.

- **Promoting Operational Efficiency**

The Company continuously seeks to improve its operational efficiency and optimize its resources leveraging digital transformation in its supply chains, including the enterprise resource planning (ERP) system, on an ongoing basis to align with the scale of its business and the diversity of its operations. It also applies well-established procedures and policies, derived from the Company's accumulated experience, in cost estimation, project management and risk assessment and mitigation, with the aim of reducing expenses and increasing profit margins without compromising project quality. These efforts have positively impacted the Company's net profit margin during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, which amounted to 26.7%, 45.1%, 37.4% and 28.1%, respectively. The Company aims to continuously improve its operational efficiency and reduce related costs while maintaining the quality of the projects it executes.

- **Attracting the Best Administrative and Engineering Competencies and Expertise Specialized in the Infrastructure Projects**

The Company's strategy for attracting the necessary talent and expertise is based on the establishment of a human resources department staffed with highly qualified professionals. This department is responsible for identifying the Company's staffing needs across administrative, engineering and technical positions, as well as determining the requirements for filling such roles. The number of the Company's employees has increased in line with its business growth over recent years, rising from 2,266 employees as at 31 December 2022G to 4,713 employees as at 31 December 2025G, representing an increase of 107.9%. The Company aims to sustain this growth by providing a carefully selected and adequately staffed workforce and by adopting effective strategies to attract talent and expertise that support the continued growth and long-term sustainability of its business.

Strengths and Competitive Advantages of the Company

The Company holds a leading position in construction and operation and maintenance segments for infrastructure projects in the water, transportation, and urban development sectors. This position is attributed to its nearly five decades of extensive experience, its strong network of relationships with a select group of clients, its stable and flexible financial position, prudent risk management and commitment to developing human capital and technical capabilities.

- **Extensive Experience and Established Position in the Infrastructure Sector**

The Company has nearly five decades of experience through which it has developed exceptional expertise in project management and execution, a deep understanding of the Kingdom's geography and terrain and strong capabilities in addressing diverse client requirements, particularly those of Governmental and Semi-Governmental Clients, while effectively managing challenges related to the procurement of material, talent acquisition and changes in regulatory and economic environments.

The Company regards this wealth of accumulated experience as one of its most valuable assets. It seeks to leverage such experience to continuously enhance its project management practices, resource planning and execution across various sectors, thereby strengthening its ability to address future challenges such as geographical and climatic constraints, tight timelines, coordination among multiple teams, accurate cost estimation and risk management. This approach ensures optimal project performance without cost overruns, while positioning the Company at the forefront of adopting emerging technologies and developing innovative solutions that enhance the efficiency of its business and operational processes.

The Company has an exceptional track record delivering projects on schedule and ahead of time, in accordance with specified standards. This has enhanced its reputation as a reliable partner in the execution of major infrastructure projects, particularly amid the challenges facing the contracting industry, earned the trust of its clients, strengthened its brand identity among clients, suppliers and subcontractors, and contributed to expanding its client base in target markets while driving growth in the Company's revenue and profitability.

- **Integrated Services**

The Company's business model is centered on providing integrated and specialized services for infrastructure projects and tailored solutions for its clients. This model spans several phases, starting from design and procurement, through construction and development, and concluding with operation and maintenance, depending on the scope of the contract.

- **Distinguished and Specialized Engineering, Technical and Human Capabilities**

The Company boasts a specialized engineering team with extensive experience in designing and executing complex projects, as well as developing and designing engineering and technical solutions, particularly in the water facilities, environmental facilities, sanitation systems, flood risk prevention, transportation facilities and urban development segments. The Company employs a highly qualified engineering team comprising 468 engineers across various specialties, supported by a workforce of 4,713 as at 31 December 2025G. This has played a vital role in the successful execution of major infrastructure projects across the Company's various sectors.

- **Strategic and Distinguished Relationships with Suppliers and Subcontractors**

The Company maintains a broad and reliable network of suppliers and subcontractors engaged in infrastructure projects and various construction, mechanical, electrical and technical works, as well as in the supply of essential materials. These include Siemens (a relationship spanning nearly seven years), ABB Electrical Industries (14 years), Torishima Pumps MFG (12 years) and KSB Pumps Arabia Ltd (15 years).

- **Robust Financial Position Resulting from Good Financial Management of the Company**

The Company's contracts revenue grew by approximately 41.6% between 2022G and 2024G, rising from SAR 2,286.4 million for the financial year ended 31 December 2022G, to SAR 3,237.5 million for the financial year ended 31 December 2024G. The Company's contracts revenue reached its highest level for the financial year ended 31 December 2023G, amounting to SAR 3,300.3 million. The Company's contract revenue also reached SAR 1,495.9 million for the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the Company's contracts revenue were SAR 1,552.6 million. This performance was accompanied by an increase in the number of projects awarded to the Company, rising from 50 projects in 2022G to 59 projects as at 30 June 2025G, representing an increase of approximately 18% in the number of projects. The steady growth in the Company's contracts revenue reflects not only the higher number of projects but also their quality, as the Company has been awarded several significant strategic projects from both the public and private sectors. For example, the Company was awarded a private sector project for the construction of water transmission pipelines extending over 500 km and valued at SAR 6,673.6 million by Stream Water Transmission Company. The Company was also awarded two public sector projects, a project from the Saudi Water Authority to construct the Moghammas reservoir transmission systems, involving the supply and installation of water pipelines extending approximately 155 kilometers and valued at SAR 1,216.2 million; and with a conveyance capacity reaching 2.5 million cubic meters per day, which is considered among the highest in the Kingdom, and a project from Client 1 to supply and install two pipelines extending approximately 82 kilometers and 25 kilometers, along with pumping stations and tanks, valued at SAR 1,430 million. As for the slight decrease in the Company's contracts revenue between the financial year ended 2023G and the financial year ended 31 December 2024G was due to the completion of certain previous projects (for further details, refer to Section 6.8 (*Results of Operations - Statement of profit or loss and other comprehensive income*)).

- **Qualified Senior Management Team**

The Company is led by a highly efficient management team with extensive experience in infrastructure construction services and operation and maintenance services in the water, transport and urban development sectors. Most of the Senior Executives have over 20 years of experience, providing them with a deep understanding of the Company's business and the ability to effectively navigate changes within the industry. The Company places strong emphasis on governance, with a Board of Directors comprising seven members, including three independent Directors, ensuring a balanced and effective approach to decision-making and oversight. The Company aims to continue developing its human capital by attracting top local and international talent.

Market Information

Summary of the Construction Works and Operation and Maintenance Works Market

Summary of EPC and O&M market delineation

The lifecycle of construction projects comprises two main components: (1) Construction works, including design, procurement, and construction; and (2) Operations and maintenance (O&M) works.

Construction projects are concentrated across eight key sectors that play a vital role in supporting development. Among these, the water sector stands out due to its critical role in safeguarding public health through the development of environmental facilities and sewage systems.

The construction market includes the following eight principal sectors, each of which plays a vital role in supporting development and infrastructure:

- **Water Sector:** Development of water facilities and wastewater systems. This sector is essential for public health, focusing on water transmission and storage systems, as well as sewage and wastewater networks.
- **Transport Sector:** Construction of transportation infrastructure such as roads, bridges, railways, and airports, facilitating the movement of people and goods.
- **Urban Development Sector:** Construction of residential, commercial, and industrial real estate and associated facilities, contributing to urban expansion and population growth.
- **Oil Sector:** Construction of oil extraction, refining, and storage facilities, as well as pipelines, ensuring oil production and transportation.
- **Gas Sector:** Construction of gas extraction, processing, and distribution facilities, ensuring the availability and delivery of gas to end users.
- **Power Sector:** Construction of power generation plants, transmission lines, and distribution networks, ensuring stable and reliable electricity supply.
- **Chemical Sector:** Construction of chemical production, storage, and distribution facilities, ensuring safe handling and processing of chemical materials.
- **Industrial Sector:** Development of factories, production facilities, and warehouses, supporting industrial activities.

Each of these sectors plays a fundamental role in the construction market and contributes significantly to the development of infrastructure and essential services.

In the construction industry, players fall into four main archetypes:

- **Skill Specialized players** focus on specific areas of the value chain, such as engineering, construction, and/or management, with notable companies including Arab Center for Engineering Studies (ACES), Architecture, Engineering, Construction, Operations, and Management (AECOM), and Jacobs.
- **Niche Players** cater to clients in up to three sectors with similar requirements; examples include the Company, Alfanar, and Almadani, providing EPC and O&M services in Power and Water, Civil Engineering, or Aviation and Military.
- **Full EPC Contractors** provide core contractor activities and skills across more than four sectors, with companies like Larsen & Toubro and JGC Holdings Corporation.
- **Lastly, One-Stop Shops** offer a full spectrum of activities, including operations and maintenance, in over four sectors, represented by firms like Samsung, and ACS.

Summary of the global regional context for EPC and O&M markets

The global EPC (Engineering, Procurement, and Construction) and O&M (Operations & Maintenance) markets are undergoing transformation driven by six key trends: urbanization, globalization, digitalization, sustainability, climate adaptation, and energy security.

Rising urban populations demand more housing and infrastructure, while global trade growth spurs the modernization of ports and airports. Digitalization, with the integration of technologies like Internet of Things (IoT) and Artificial Intelligence (AI), is making urban areas more efficient, and sustainability is a central focus as cities aim for greener, more resilient infrastructure. Climate change adaptation calls for infrastructure capable of withstanding extreme weather, and energy security drives investments in renewable energy and grid modernization. These trends are bolstered by government initiatives, private sector partnerships, and the pressing need to upgrade aging infrastructure, each elevating demand within the sector.

In the Gulf Cooperation Council (the “GCC”), the EPC and O&M markets are quickly expanding due to ambitious infrastructure projects and economic diversification efforts. Countries like the Kingdom and the UAE are actively investing in non-oil sectors to build stable, diversified economies. Key initiatives, such as the Kingdom’s Vision 2030, emphasize urban development, sustainable growth, and reduced oil dependence. High urbanization rates and mega-projects, including NEOM, Dubai Expo 2020, and Lusail City, are driving construction while enhancing the region’s global profile. Additionally, global shifts towards sustainability and smart technologies have influenced the GCC, leading to stricter environmental regulations, the adoption of green building standards like Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM), and the integration of Internet of Things and Artificial Intelligence to improve infrastructure efficiency and resilience. These factors collectively support the region’s focus on modernization, economic growth, and global competitiveness.

Summary of the Company’s sectors overview

The Company operates in three key sectors in Saudi Arabia: water, transport, and real estate, all of which are undergoing significant transformation across Saudi Arabia and the GCC. These sectors are central to addressing structural needs of the region in water desalination and supply, and supporting economic diversification efforts driven by national strategies like Vision 2030 in Saudi Arabia.

In the water sector, the Company focuses on Engineering, Procurement, and Construction (EPC) and Operations and Maintenance (O&M) services for water facilities across transmission, storage, and treatment. Key projects include advanced desalination plants, wastewater treatment systems, strategic tanks, and water transmission networks.

The water sector has seen extensive investments in projects such as the SAR 279 billion planned water infrastructure in Saudi Arabia from 2025G to 2030G, including key developments like the Alshuqaiq to Jizan Water Transmission System: Phase 4 (SAR 2.96 billion), aimed at ensuring reliable water supply, with award expected in 2025G by the Water Transmission and Technologies Company. Another significant initiative is the Riyadh-Qassim Independent Water Transmission Pipeline (SAR 1.97 billion) focused on water security and expected to be awarded by Saudi Water Partnership Company in 2025G.

The transport sector emphasizes Engineering, Procurement, and Construction (EPC) and Operations and Maintenance (O&M) for transportation infrastructure, including roads, bridges, and road safety development, which are critical for enhancing regional connectivity and logistics infrastructure.

The transport sector, with SAR 672 billion in planned projects during the same period, features high-profile projects such as the King Abdulaziz International Airport (new passenger terminal) in Jeddah (SAR 10 billion), set to enhance capacity and serve as a regional hub, with an award expected in 2027G by Jeddah Airport Company. Another key project is the Riyadh Metro Line 7 (SAR 8 billion), a rail line connecting different areas in Riyadh, expected to be awarded by Royal Commission for Riyadh City in 2025G to improve passenger transport. These projects underscore the Kingdom’s commitment to building a world-class transport network.

The real estate sector aligns with large-scale urban regeneration initiatives through Engineering, Procurement, and Construction (EPC) for urban development, including site layout, infrastructure development, and sustainable urban planning, contributing to increased homeownership, investment attraction, and economic growth.

In real estate, the sector is poised for SAR 2.08 trillion in planned projects, major projects like the North Pole Development (SAR 20 billion), an urban expansion project by the Public Investment Fund (PIF), expected to be

awarded in 2026G. Another highlight is the Oxagon AI Data Center Campus (SAR 15 billion), expected to be awarded in 2027G (DataVolt/NEOM) and aimed at enabling AI infrastructure and driving digital transformation. Additionally, the P-563 Programme: Ministry of Defense Headquarters Building (SAR 9.4 billion), to be awarded by the Ministry of Defense in 2025G, will establish a modern headquarters to centralize operations and strengthen strategic capabilities.

The Company's focus across these sectors aligns with government-led efforts and involves collaboration with prominent entities like the Saudi Water Partnership Company (SWPC), Saudi Arabia Railways, and PIF.

Summary of the Kingdom as investment location

The Kingdom presents an attractive investment location, driven by its robust economy, which is the largest in the GCC, with a projected GDP growth rate of 3.9% annually until 2030G⁽¹⁾. The Kingdom is actively shifting from oil dependency by promoting non-oil industries under Vision 2030, resulting in rapid growth across finance, insurance, and business services. With a young and expanding population, rising disposable incomes, and an ambitious development agenda, the Kingdom is well-positioned to support large-scale infrastructure projects and attract both domestic and foreign investments.

Vision 2030 initiatives are catalyzing demand for EPC and O&M services across sectors. Key areas include tourism, logistics, water, energy, real estate, and industrial growth. Tourism infrastructure projects, such as Diriyah and the Red Sea Project, along with new logistics centers and upgraded transport networks, are set to support diversification and urbanization goals. The Kingdom is also advancing renewable energy projects to secure energy independence and sustainability, while water management and real estate developments aim to improve citizens' quality of life and increase homeownership. These large-scale projects will continue to drive demand for O&M services to ensure infrastructure longevity and efficiency.

The regulatory framework, although evolving, involves multiple ministries and authorities that oversee urban planning, business practices, and worker safety. The Saudi Contractors Authority (SCA) is the primary authority, aiming to develop the contracting sector and create a high-quality environment. It operates independently under the supervision of the Ministry of Municipalities Rural Affairs and Housing.

The Kingdom's construction regulatory framework does not result from a formal and unified construction law. A variety of laws and regulations govern construction activities. Within that context, (i) Shari'ah law remains the overriding law of the Kingdom, which emphasizes good faith, transparency, and fairness in dealings, and (ii) the Civil Transactions Law was adopted in 2023G, hence providing increased clarity and predictability in contractual relations, which supports economic growth and investor confidence, creating a structured environment for construction. Furthermore, the Government Tenders and Procurement Law (GTPL) ensures open and competitive tendering for government projects, increasing transparency of the process and decision criteria, that enables competitive public tendering. In practice, (i) contractors must register with the Saudi Contractors Authority, and (ii) adapted FIDIC contracts are commonly adopted by the market stakeholders to balance international and local standards. Historically, there were strict restrictions on the ownership of real estate properties by non-Saudi nationals in the Kingdom. However, in 2025G, a new law that will become effective in 2026G was issued, and it substantially reduces the restrictions on the ownership of real estate properties by non-Saudi nationals; whereby it permits foreign individuals, companies, and entities to own real estate properties in the Kingdom, subject to specific geographic delineations.

For companies within the sector, Vision 2030's focus on public-private partnerships (PPPs) and its emphasis on sustainable, digital infrastructure present strategic opportunities. PPP models de-risk projects execution, reducing dependence on solely government funding by attracting private investment, and operational know-how. Expanding project portfolios into specialized infrastructure, such as smart cities and eco-friendly developments, can strengthen competitive positioning. Additionally, workforce development initiatives promote investment in skills training to meet evolving market demands.

¹ Oxford Economics

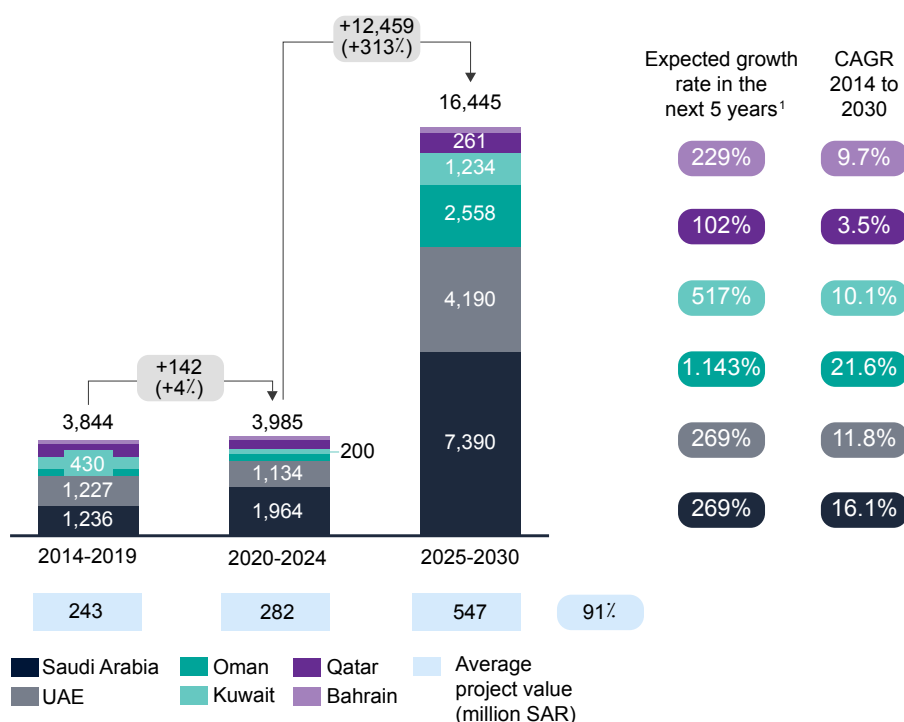
Summary of EPC historical, current, and forecast market

The GCC EPC market has experienced substantial growth and shifts since 2014G, driven by transformative initiatives and large-scale projects, particularly in the Kingdom and the UAE. From 2014G to 2019G, the region's construction market saw steady expansion with the Kingdom and the UAE leading investments in infrastructure, energy, and urban development, supported by entities like Saudi Aramco and the Qatar Public Works Authority. This period laid the groundwork for future mega-projects, with the Kingdom investing heavily in foundational infrastructure as part of its Vision 2030 goals.

From 2020G to 2024G, the GCC construction market entered a new phase marked by ambitious projects and increased spending in the Kingdom, exemplified by NEOM and other Vision 2030 initiatives aimed at economic diversification. The Kingdom's market size surged as it undertook large-scale projects across real estate, transportation, and tourism to modernize its economy and reduce oil dependence. Overall, the Gulf construction market remained dynamic, with major investments targeting strategic sectors and laying the path for future expansion.

The following exhibit illustrates the total project value in the GCC, measured in SAR billion, over multiple periods with a breakdown by segment from 2014G-2019G to 2025G-2030G:

Exhibit 1: Total Project Value in the GCC by Geography and Expected Growth (in Billion SAR, 2014G-2019G to 2025G-2030G):

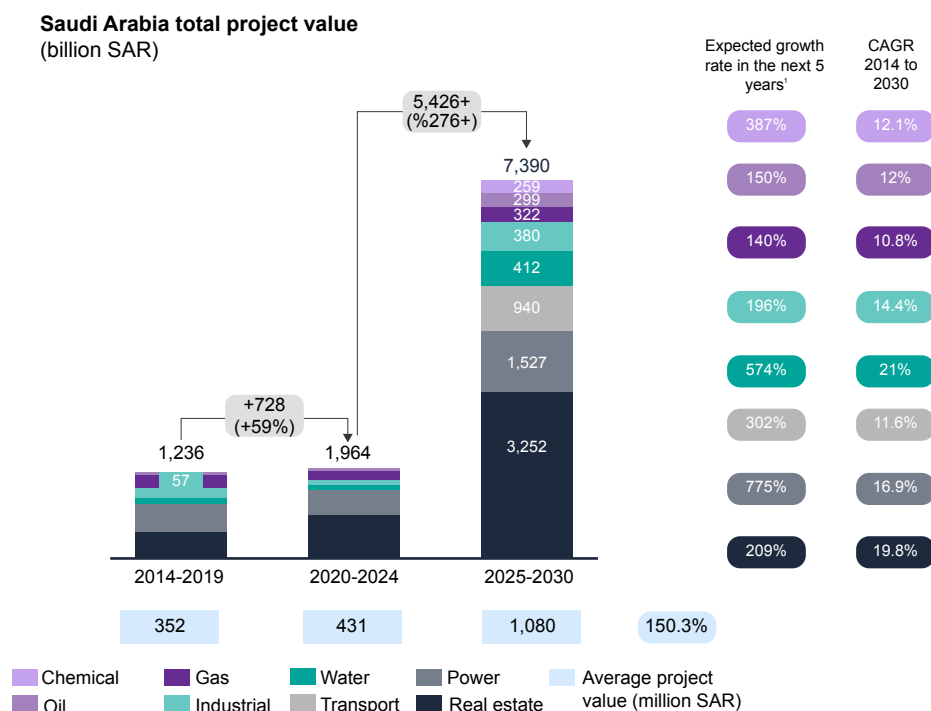


Sources: MEED report; Kearney analysis

Looking ahead to 2025G-2030G, the Gulf region is poised for a construction boom led by the Kingdom, with an estimated market size of SAR 7.4 trillion by 2030G, with potential addressable market by the Company reaching SAR 4.2 billion (planned projects, in early planning stages – see Exhibit 3). Major sectors, including real estate, power, and transport, will receive significant investment as the region aims to enhance infrastructure, adopt renewable energy, and develop new urban centers. High-complexity sectors like oil, gas, and chemicals are expected to yield higher profit margins due to fewer competitors and greater project risks, while high-volume sectors such as real estate and transport will drive overall market size, despite relatively lower profitability. This evolving landscape highlights a positive correlation between project complexity and profit, as specialized sectors command higher returns.

The following exhibit illustrates the total project value in the Kingdom, measured in SAR billion, over multiple periods with a breakdown by segment from 2014G-2019G to 2025G-2030G:

Exhibit 2: Total Project Value in the Kingdom by Segment and Expected Growth (in Billion SAR, 2014G-2019G to 2025G-2030G):



Sources: MEED report; Kearney analysis

The period from 2025G to 2030G is set to be transformative, characterized by unprecedented investments across all sectors. Real estate leads with a staggering SAR 3,252 billion in planned projects, underpinning large-scale developments such as NEOM and other new urban initiatives. The transport sector follows with SAR 940 billion, aimed at enhancing regional connectivity and supporting economic diversification.

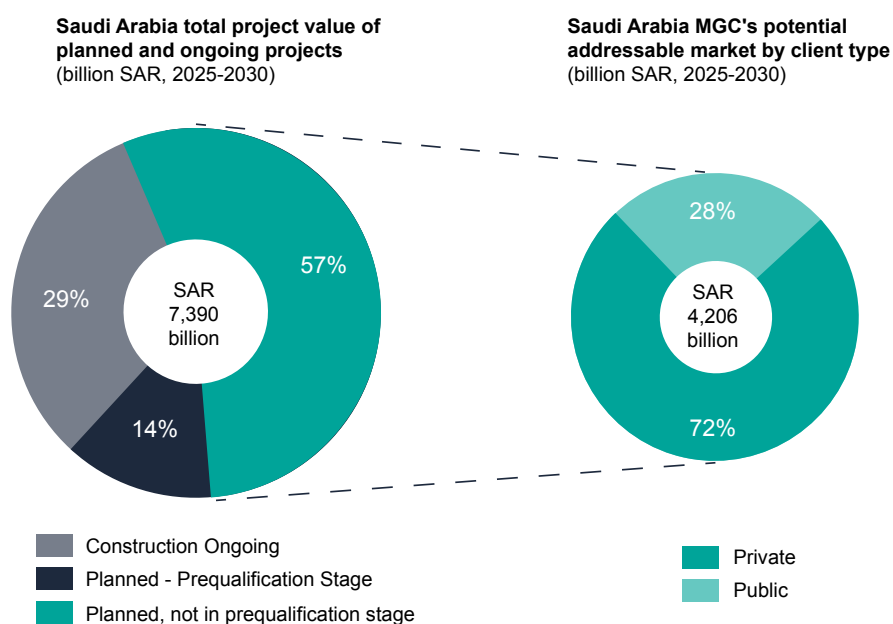
The power sector is set to receive a monumental investment of SAR 1,527 billion, reflecting a massive expansion in both conventional and renewable energy capacities. The industrial sector, critical for job creation and economic resilience, sees a major leap with SAR 380 billion planned, indicating a robust push towards manufacturing and industrialization.

The water infrastructure sector also sees a substantial increase, with SAR 412 billion earmarked for projects, essential for ensuring sustainable water resources. The gas and oil sectors continue to receive strong support, with planned investments of SAR 322 billion and SAR 299 billion respectively, ensuring energy security and economic stability.

The chemical sector rebounds with a planned investment of SAR 250 billion, reflecting renewed interest in diversifying the petrochemical industry and adding value to hydrocarbon resources.

The following exhibit illustrates the breakdown of the Kingdom's total project value of planned and ongoing projects, as well as the potential addressable market for the Company by client type, measured in billion SAR for the period 2024G - 2030G.

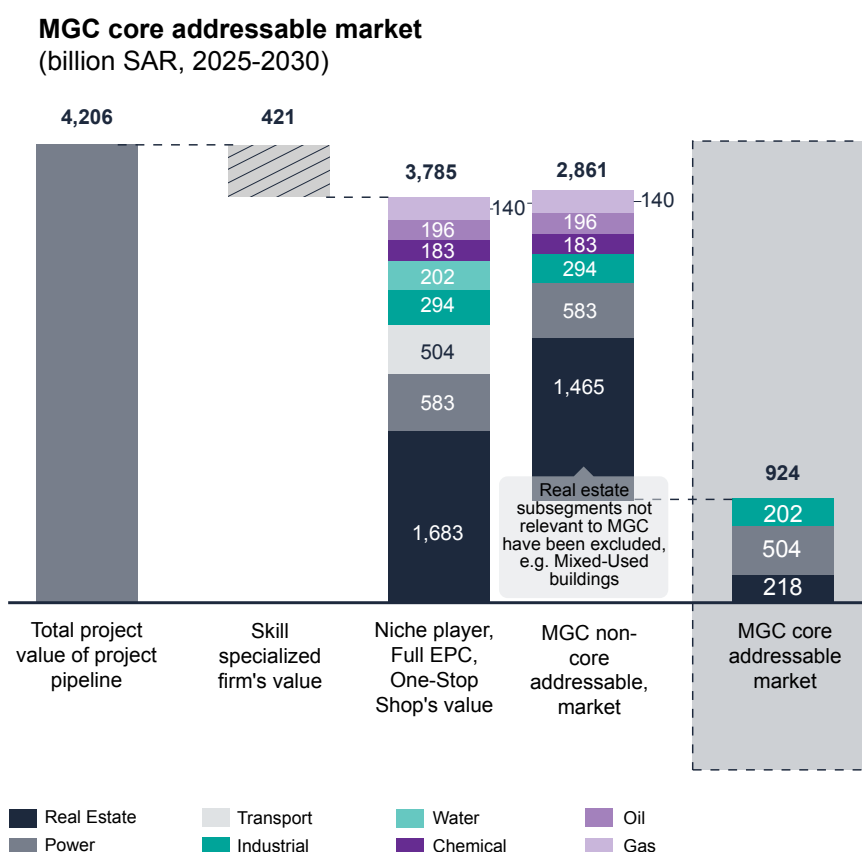
Exhibit 3: Saudi Arabia Total Project Value of Planned and Ongoing Projects (in Billion SAR, 2025G-2030G) and the Company's Potential Addressable Market by Client Type (in Billion SAR, 2025G-2030G):



Sources: MEED report; Kearney analysis

Currently, there are SAR 2,169 billion in active construction projects, reflecting significant investments across various sectors, including real estate, infrastructure, and industrial developments. There are SAR 4,206 billion worth of projects in early planning stages, indicating a robust pipeline of future investments. Finally, an additional SAR 1,014 billion of projects are in the prequalification stage, preparing for execution soon.

Exhibit 4: The Company's core addressable market (in Billion SAR 2025G-2030G):



Sources: MEED report; Kearney analysis

The Company's current core addressable market is estimated at approximately SAR 924 billion, with a primary focus on the water, transport, and real estate sectors. It consists of current projects in early planning stages only and a forecasted value of new projects to be introduced between 2025G and 2030G. Within this, the Company's core sub-services include water transmission (22%), treatment and storage; transportation for urban mobility (54%); and real estate for urban development (24%) - represent around 25% of the potential addressable market.

The O&M market, closely linked to the EPC sector, is set to expand at a 47% annual rate from 2025G till 2030G, driven by growing demand in the Kingdom and Oman⁽²⁾. As large projects complete and infrastructure matures, O&M needs will increase across real estate, transport, and industrial sectors, underscoring the importance of maintenance for sustained regional growth.

² MEED, Kearney analysis; assuming linear increase in share from 0.6% in 2024 to 1.8% in 2030, since cumulative value of assets commissioned year after year is growing

Summary of competitive landscape

The construction market in the Kingdom has evolved significantly in recent years, transitioning from an industry led by local companies such as Saudi Oger and Saudi Binladin Group (SBG) to a more differentiated and healthy environment. Financial challenges and restructuring in the mid-2010s reshaped the landscape, paving the way for a mix of established local firms and global players contributing to the country's Vision 2030 ambitions. Local players, including the Company, Nesma & Partners, Al-Rashid Trading & Contracting (RTCC), and Al-Ayuni, continue to play a key role, collaborating with international firms to execute complex infrastructure, real estate, and water projects.

Global players such as Bechtel, Webuild, and Larsen & Toubro bring expertise to large-scale developments like NEOM and Riyadh Metro, while Chinese firms such as China State Construction Engineering Corporation (CSCEC) and China Communications Construction Company (CCCC) contribute to rail, urban transit, and port projects. The Company, alongside these competitors, provides EPC and O&M services for significant projects, aligning with market trends such as sustainability, digital transformation, and diversification of revenue streams through operations and maintenance contracts. This competitive landscape reflects a construction sector that is adapting to meet the Kingdom's ambitious infrastructure and economic diversification goals under Vision 2030.

Summary of Financial Information and Key Performance Indicators

The Company's financial information set forth below is derived from the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, which were prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. The unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G was prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34), as endorsed in the Kingdom and other standards and pronouncements issued by the SOCPA, and were audited or reviewed, as the case may be, by the Independent Auditor. The Company's financial information and key performance indicators set out below should be read together with the information provided in Section 2 (Risk Factors) and Section 6 (Management Discussion and Analysis of Financial Position and Results of Operations) of this Prospectus, the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, which are included in Section 18 (*Financial Statements and Independent Auditor's Report*), as well as other financial information contained in the other sections of this Prospectus.

Table 5: Summary of the Company's Statement of Financial Position as at 31 December 2022G, 2023G and 2024G and the Summary of the Condensed Interim Statement of Financial Position as at 30 June 2025G

SAR Million	As at 31 December 2022G (Audited)	As at 31 December 2023G (Audited)	As at 31 December 2024G (Audited)	As at 30 June 2025G (Unaudited)
Total current assets	1,703.1	2,153.4	3,141.5	3,468.9
Total non-current assets	215.2	236.5	233	266.2
Total assets	1,918.3	2,389.9	3,374.5	3,735.1
Total current liabilities	933.8	511.4	680.3	765.7
Total non-current liabilities	33.8	39.0	43.1	47.2
Total liabilities	967.6	550.4	723.4	812.9
Total equity	950.7	1,839.4	2,651.1	2,922.2
Total liabilities and equity	1,918.3	2,389.9	3,374.5	3,735.1

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G.

Table 6: Summary of the Company's Statement of Profit or Loss and Other Comprehensive Income for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Summary of the Condensed Interim Statement of Profit or Loss and Other Comprehensive Income for the Six-Month Period Ended 30 June 2024G and 2025G

SAR Million	Financial Year Ended 31 December 2022G (Audited)	Financial Year Ended 31 December 2023G (Audited)	Financial Year Ended 31 December 2024G (Audited)	Six-Month Period Ended 30 June 2024G (Unaudited)	Six-Month Period Ended 30 June 2025G (Unaudited)
Contracts revenue	2,286.4	3,300.3	3,237.5	1,552.6	1,495.9
Contracts cost	(1,595.4)	(1,782.8)	(1,858.3)	(744.1)	(1,009.2)
Gross profit	691.0	1,517.5	1,379.2	808.5	486.7
General and administrative expenses	(42.0)	(61.5)	(65.2)	(38.6)	(45.2)
(Charge) reversal of impairment of financial assets	(11.4)	73.4	(46.7)	6.2	13.6
Other operating income	3.2	6.7	9.6	0.7	1.4
Operating profit	640.8	1,536.1	1,276.9	776.7	456.5
Finance costs	(0.9)	(1.7)	(1.9)	(0.8)	(1.0)
Finance income	0	0	4.7	2.9	0.8
Profit before zakat	640.0	1,534.4	1,279.8	778.8	456.3
Zakat expense	(29.0)	(46.2)	(70.3)	(27.8)	(36.4)
Profit for the year/period	611.0	1,488.2	1,209.4	751.0	419.8
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on remeasurement of employee benefit obligations	2.9	0.5	2.2	0.3	1.2
Total comprehensive income for the year/period	613.9	1,488.7	1,211.7	751.3	421

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G.

Table 7: Summary of the Company's Statement of Cash Flows for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Summary of Condensed Interim Statement of Cash Flows for the Six-Month Periods Ended 30 June 2024G and 2025G

SAR Million	Financial Year Ended 31 December 2022G (Audited)	Financial Year Ended 31 December 2023G (Audited)	Financial Year Ended 31 December 2024G (Audited)	Six-Month Period Ended 30 June 2024G (Unaudited)	Six-Month Period Ended 30 June 2025G (Unaudited)
Net cash inflow from operating activities	100.3	951.6	434.3	195.8	160.8
Net cash outflow from investing activities	(34.5)	(35.7)	(17.9)	(7.3)	(47.8)
Net cash outflow from financing activities	(271.3)	(889.9)	(397.8)	(200.7)	(150.2)
Cash and cash equivalents at beginning of year/period	351.2	145.7	171.7	171.7	190.2
Cash and cash equivalents at the end of year/period	145.7	171.7	190.2	159.5	153.0

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G.

Table 8: The Company's Key Performance Indicators for the Financial Years Ended 31 December 2022G, 2023G and 2024G and as at and for the Six-Month Periods Ended 30 June 2024G and 2025G

Key Performance Indicators	2022G	2023G	2024G	As at and for the Six-Month Period Ended 30 June 2024G	As at and for the Six-Month Period Ended 30 June 2025G
Revenue Growth Rate (%) ⁽¹⁾	85.6%	44.3%	(1.9%)	19.5%	3.7%
Gross Profit Margin (%) ⁽²⁾	30.2%	46.0%	42.6%	52.1%	32.5%
Net Operating Margin (%) ⁽³⁾	28.0%	46.5%	39.4%	50.0%	30.5%
Net Profit Margin (%) ⁽⁴⁾	26.7%	45.1%	37.4%	48.4%	28.1%
Return on Assets (%) ⁽⁵⁾	31.9%	62.3%	35.8%	N/A	23.5%*
Return on Equity (%) ⁽⁶⁾	64.3%	80.9%	45.6%	N/A	30.1%*
Current Assets / Current Liabilities ⁽⁷⁾	1.8	4.2	4.6	4.5	4.5
Liabilities to Assets Ratio (%) ⁽⁸⁾	50.4%	23.0%	21.4%	22.0%	21.8%
Liabilities/Equity ⁽⁹⁾	1.0	0.3	0.3	0.3	0.3

Source: The Company

⁽¹⁾ Revenue growth rate = (contracts revenue for the current period – contracts revenue for the previous period) / contracts revenue for the previous period * 100.

⁽²⁾ Gross profit margin = Gross profit / contracts revenue.

⁽³⁾ Operating profit margin = Operating profit / contracts revenue.

⁽⁴⁾ Net profit margin = Profit for the year or period / contracts revenue.

⁽⁵⁾ Return on Assets = Profit for the last twelve months ("LTM") / total assets.

⁽⁶⁾ Return on Equity = Profit for the last twelve months / total equity.

⁽⁷⁾ Current Assets / Current Liabilities = Total current assets / total current liabilities.

⁽⁸⁾ Liabilities to Assets Ratio = Total liabilities / total assets.

⁽⁹⁾ Liabilities / Equity = Total liabilities / total equity.

* Each of the Return on Assets and Return on Equity measures for the six-month period ended 30 June 2025G were calculated using LTM profit, which consists of the annualized profit for the period from 1 July 2024G to 30 June 2025G, divided by total equity and total assets, respectively

Summary of Risk Factors

Prior to investing in the Offer Shares, prospective investors should carefully consider all of the information contained in this Prospectus, and in particular the risks stated below, which are described in detail in Section 2 (*Risk Factors*).

Risks Related to the Operations of the Company

- Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates
- Risks Related to Contracting with Public Sector and Semi-Governmental Clients
- Risks Related to Contractual Relationships with Clients and the Termination, Suspension, Delay, Scaling Down of Scope or Extension of Contracts Concluded with Them, or their Assignment to Third Parties
- Risks Related to Tender Requirements and Procedures in Infrastructure Projects
- Risks Related to Pricing Assumptions Used in Some of the Company's Contracts
- Risks Related to Construction Defects in Projects Executed by the Company
- Risks Related to the Company's Ability to Predict the Number, Size and Timing of Future Projects
- Risks Related to Delays in Project Execution and Delay Fines
- Risks Related to Revenue Recognition Using the Percentage of Completion Method
- Risks Related to the Company's Contract Assets
- Risks Related to Backlog
- Risks Related to the Sustainability of the Company's Revenue Growth and Profitability
- Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them
- Risks Related to the Company's Contracting Mechanism and Policy with Suppliers, Subcontractors and Service Providers
- Risks Related to the Company's Reputation and the Quality of Services Provided
- Risks Related to Marketing Activities
- Risks Related to the Participation of Certain Directors and Senior Executives in Business Competing with the Company's Business
- Risks Related to the Ability of the Company's Infrastructure or Internal Systems to Adequately Support its Planned Growth and Strategy
- Risks Related to the Company's Reliance on Leased Properties
- Risks Related to Credit Facilities and Guarantees
- Risks Related to Future Capital Expenditures
- Risks Related to Managing and Determining Working Capital and Liquidity Requirements
- Risks Related to Maintaining and Servicing the Company's Movable Assets
- Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business
- Risks Related to Credit and Doubtful Debts
- Risks Related to Related Party Transactions
- Risks Related to the Use of Accounting Assumptions and Estimates and Financial Reporting Systems
- Risks Related to the Company's Reliance on the Expertise and Capabilities of its Senior Executives
- Risks Associated with Employee Misconduct and Errors
- Risks Related to the Company's Inability to Renew the Necessary Licenses and Permits for its Business
- Risks Related to the Company's Operations and Project Execution
- Risks Related to Seasonal Factors and Fluctuations
- Risks Related to Failure to Secure Adequate Insurance Coverage
- Risks Related to Natural Phenomena and Disasters such as Floods, Earthquakes and Other Natural Events

- Risks Related to Protection of the Company's Intellectual Property Rights
- Risks Related to Personal Data Breaches
- Risks Related to Zakat and Taxes
- Risks Related to the Company's Inability to Continue to Comply with Saudization Requirements
- Risks Related to Government Fees Applicable to Non-Saudi Employees
- Risks Related to Litigation and Arbitration
- Risks Related to the Lack of Experience of the Company's Management in Managing a Listed Joint Stock Company
- Risks Related to the Company's Compliance with the Companies Law and its Implementing Regulations, the Corporate Governance Regulations and other Mandatory Regulations and Policies
- Risks Related to the Expansion of the Company's Business
- Risks Related to Potential Future Acquisitions
- Risks Related to Joint Ventures

Risks Related to the Market, Sector and Regulatory Environment

- Risks Related to the Structure of the Water and Road Infrastructure Market
- Risks Related to Changes in the Calculation Mechanism for Zakat and Income Tax
- Risks Related to Political Instability and Security Concerns in the Middle East Region
- Risks Related to Force Majeure Events such as Terrorist Attacks, Wars and Natural Disasters
- Risks Related to Environmental, Health and Safety Laws
- Risks Related to Compliance with Saudization and Labor Law Requirements
- Risks Related to Changes in Accounting Principles and Policies
- Risks Related to the Outbreak of Pandemics and Infectious Diseases
- Risks Related to Changes in the Regulatory Environment
- Risks Related to Competition and the Intensification Thereof
- Risks Related to the Impact of Economic Conditions on the Company's Operations

Risks Related to the Offer Shares

- Risks Related to Effective Control by the Selling Shareholders After the Offering
- Risks Related to the Absence of a Prior Market for the Company's Shares and Potential Fluctuations in the Share Price
- Risks Related to Fluctuations in the Market Price of the Shares
- Risks Related to the Distribution of Cash Dividends and Restrictions Imposed by Banks on the Distribution of Dividends
- Risks Related to Offering Additional Shares in Order to Increase Share Capital
- Risks Related to the Sale of a Large Number of Shares on the Exchange After the Lock-up Period
- Risks Related to Foreign Currency Exchange When Investing in Offer Shares
- Risks Related to Failure to Publish Research or the Publication of Unfavorable Research Regarding the Company

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01

Definitions and Abbreviations

1. Definitions and Abbreviations

Advisors	The advisors of the Company in relation to the Offering, whose names appear on pages (viii), (ix), (x) and (xi) of this Prospectus.
Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Annual Financial Statements	The audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, prepared in accordance with the IFRS as endorsed in the Kingdom and other pronouncements issued by SOCPA, and audited by the Independent Auditor. These financial statements have been included in Section 18 (<i>Financial Statements and Independent Auditor's Report</i>).
Audit Committee	The Audit Committee of the Company.
Backlog	The Company's backlog consists of the total value of executed contracts (as amended) for which (i) the Company has commenced work or (ii) the Company has not commenced work but has received a notice to proceed, less revenue already recognized on those contracts. The Backlog includes the total value of executed variation orders.
Bid Form	The application submitted by the Participating Parties to the Bookrunners for participation in the book-building process during the book-building period, to be submitted to the Bookrunners no later than the last day of the book-building period. This term includes, when applicable, the appended Bid Form when the price range is changed.
Board of Directors or the Board	The Company's Board of Directors who were appointed by the Company's General Assembly who's names appear in Table 1 (<i>The Company's Directors</i>).
Book-Building Instructions	The Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended.
Bookrunners	Al Rajhi Capital, Morgan Stanley Saudi Arabia, anb capital, Emirates NBD Capital KSA, Arqaam Capital Financial JSC, and Albilad Capital.
Business Day	Any day (other than Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the Kingdom.
Bylaws	The Bylaws of the Company, which are summarized in Section 11.15 (<i>Summary of the Company's Bylaws</i>).
Capital Market Institution	A Capital Market Institution authorized by the CMA to practice securities business.
Chairman	The Chairman of the Company's Board of Directors.
Chief Executive Officer	The Chief Executive Officer of the Company.
Client 1	A client of the Company, classified as a Semi-Governmental Client (for further details regarding the Company's contracts with Client 1, please refer to Section 11.6.1.1 (<i>Company's Agreements with Client (1)</i>)).
Client 2	A client of the Company, classified as a Semi-Governmental Client (for further details regarding the Company's contracts with Client 2, please refer to Section 11.6.1.9 (<i>The Company's Agreement with Client (2)</i>)).
Client 3	A client of the Company, classified as a Private Sector Client (for further details regarding the Company's contract with Client 3, please refer to Section 11.6.1.4 (<i>The Company's Agreement with Client (3)</i>)).
Client 4	A client of the Company, classified as a Private Sector Client (for further details regarding the Company's contract with Client 4, please refer to Section 11.6.1.7 (<i>The Company's Agreements with Client (4), Client (5) and Client (6)</i>)).
Client 5	A client of the Company, classified as a Private Sector Client (for further details regarding the Company's contract with Client 5, please refer to Section 11.6.1.7 (<i>The Company's Agreements with Client (4), Client (5) and Client (6)</i>)).
Client 6	A client of the Company, classified as a Private Sector Client (for further details regarding the Company's contract with Client 6, please refer to Section 11.6.1.7 (<i>The Company's Agreements with Client (4), Client (5) and Client (6)</i>)).
CMA	The Capital Market Authority in the Kingdom.
CML	The Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
Committees	The Company's Audit Committee, Nomination and Remuneration Committee and Executive Committee.
Companies Law	The Companies Law issued by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Company or Issuer	Mutlaq Al-Ghowairi Contracting Co.
Condensed Interim Financial Information	The Company's unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"), as endorsed in the Kingdom and other standards and pronouncements issued by the SOCPA.

Construction Works	One of the Company's business divisions, comprising engineering, procurement and construction (EPC) projects related to infrastructure in the water, transportation and urban development sectors, as well as other construction projects including asset enhancement projects (for further details regarding construction works, see Section 4.7.1 (<i>Description of Construction Works</i>)).
Control	Control means the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (a) holding 30% or more of the voting rights in the Company; or (b) having the right to appoint 30% or more of its governing body. The term "controller" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations issued pursuant to CMA Board Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), as amended.
Cost of Purchases	The costs incurred by the Company for the materials it procured or the services rendered thereto during the relevant financial year/period.
Current Shareholders	The shareholders Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Terad Damouk Mutlaq Al-Ghowairi, Mutlaq Mohammed Damouk Al-Ghowairi, Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, Hind Mohamed Damouk Al-Ghowairi, Abdulmajid Mohamed Damouk Al-Ghowairi, Abdulmohsen Mohamed Damouk Al-Ghowairi, Moudi Ajmi Sanhat Al-Otaibi, and Nada Mohamed Damouk Al-Ghowairi, whose names and ownership percentages are set out in Table 4 (<i>Direct Ownership Structure of the Company Pre- and Post-Offering</i>).
Directors (and each individually a Director)	The members of the Company's Board of Directors appointed by the General Assembly of the Company and whose names appear in Table 1 (<i>The Company's Directors</i>).
Engineering, Procurement and Construction Projects (EPC Projects)	A comprehensive approach for the completion of projects, in which the Company supervises the entire project life cycle, starting from the initial design and engineering, through the purchase of materials and equipment, ending with construction.
Exchange or Tadawul	The Saudi Exchange Company (Tadawul) or the Saudi Stock Exchange.
Executive Management	The Senior Executives of the Company.
Extraordinary General Assembly	An Extraordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Financial Advisors	Al Rajhi Capital and Morgan Stanley Saudi Arabia.
Financial Due Diligence Advisor	Deloitte Financial Advisory Services LLP.
Financial Statements	The Annual Financial Statements and the Condensed Interim Financial Information.
Financial Year	The Company's financial year starting from 1 January to 31 December of each calendar year.
G	The Gregorian calendar.
GCC	The Cooperation Council for the Arab States of the Gulf.
GCC Investors with Legal Personality	Any company with the majority of its share capital being owned by GCC natural persons or governments and having the nationality of a GCC State according to the definition mentioned in the Resolution of the Supreme Council of the GCC issued in its 15th session, as approved by Council of Ministers' Resolution No. 16, dated 20/01/1418H (corresponding to 27/05/1997G), as well as GCC funds with the majority of their share capital being owned by GCC citizens or governments.
GDP	Gross Domestic Product (the broadest quantitative measure of a nation's total economic activity, which represents the monetary value of all goods and services produced within a nation's geographical borders over a specified period of time).
General Assembly	An Extraordinary General Assembly and/or an Ordinary General Assembly of the Company's Shareholders, and "General Assembly" means any General Assembly of the Company.
General Authority for Statistics	The General Authority for Statistics in the Kingdom.
Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended by CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2025G), and as may be amended from time to time.
GOSI	The General Organization for Social Insurance in the Kingdom.
Government	The government of the Kingdom of Saudi Arabia (and "Governmental" shall be interpreted accordingly).
Government Tenders and Procurement Law	The Government Tenders and Procurement Law issued pursuant to Royal Decree No. M/128, dated 13/11/1440H (corresponding to 16/07/2019G), as amended.
H	The Hijri calendar.

IASB	The International Accounting Standards Board.
IFRS	The International Financial Reporting Standards as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA.
Implementing Regulations of the Companies Law	The Implementing Regulations of the Companies Law, issued by Minister of Commerce Resolution No. 284, dated 23/06/1444H (corresponding to 16/01/2023G), as amended.
Implementing Regulations of the Saudi Building Code Application Law	The Implementing Regulations of the Saudi Building Code Application Law issued by Resolution No. 1213 of the Minister of Municipalities and Housing, dated 14/10/1439H (corresponding to 28/06/2018G), as amended.
Independent Auditor	PricewaterhouseCoopers Public Accountants.
Individual Subscribers	Any natural person who has an investment account and an active investment portfolio with a Receiving Agent or is entitled to open an investment account with a Capital Market Institution.
Investment Funds Regulations	The Investment Funds Regulations issued pursuant to CMA Resolution No. 1-219-2006, dated 03/12/1427H (corresponding to 24/12/2006G), based on the CML promulgated by Royal Decree No. M/30, dated 02/06/1424H, as amended.
Investors	The Participating Parties and Individual Subscribers.
Kingdom	The Kingdom of Saudi Arabia.
Labor Law	The Saudi Labor Law issued pursuant to Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Lead Manager	Al Rajhi Capital.
Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters	Gibson, Dunn & Crutcher Law Firm.
Legal Advisor to the Issuer	Kirkland & Ellis International LLP.
Listing	Admission of all the Company's Shares to listing on the Exchange in accordance with the Listing Rules and, where the context requires, an application to the Exchange for the listing of securities.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 4-114-2024, dated 04/04/1446H (corresponding to 07/10/2024G), as amended.
Lock-up Period	The six-month period during which the Substantial Shareholders may not dispose of any of their Shares from the date on which trading of the Company's Shares commences on the Exchange.
Main Market	The market on which the registered and offered shares are traded under Part IV of the Rules on the Offer of Securities and Continuing Obligations.
Market Consultant	A.T. Kearney Saudi Ltd.
Market Study Report	The Market Study Report dated 24/02/1446H (corresponding to 28/08/2024G), prepared exclusively for the Company by the Market Consultant.
Master Framework Agreement Template	A general template prepared by the Company to regulate its dealings with Subcontractors.
Ministry of Commerce	The Ministry of Commerce in the Kingdom.
Ministry of Energy	The Ministry of Energy in the Kingdom.
Ministry of Environment, Water and Agriculture	The Ministry of Environment, Water and Agriculture in the Kingdom.
Ministry of Finance	The Ministry of Finance in the Kingdom.
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in the Kingdom.
Ministry of Industry and Mineral Resources	The Ministry of Industry and Mineral Resources in the Kingdom.
Ministry of Municipalities and Housing	The Ministry of Municipalities and Housing in the Kingdom.

Ministry of Tourism	The Ministry of Tourism in the Kingdom.
Ministry of Transport and Logistic Services	The Ministry of Transport and Logistic Services in the Kingdom.
National Water Company	A Saudi closed joint stock company wholly owned by the Government and represented by the Public Investment Fund. The National Water Company is considered one of the Company's key clients.
Net Offering Proceeds	The Offering Proceeds, net of expenses related to the Offering.
Nitaqat Program	The Saudization program "Nitaqat" approved pursuant to the Resolution of His Excellency the Minister of Human Resources and Social Development No. 4040, dated 12/10/1432H (corresponding to 10/09/2011G), based on Council of Ministers Resolution No. 50, dated 21/05/1415H (corresponding to 27/10/1994G).
Nominal Value	One Saudi Arabian Riyal (SAR 1) per Share.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Company.
Offer Price	SAR [●] per Share.
Offer Shares	240,000,000 ordinary shares, representing 30.00% of the Company's share capital.
Offering	The initial public offering of 240,000,000 ordinary Shares with a fully paid nominal value of one Saudi Arabian Riyal (SAR 1) per Share, representing 30.00% of the Company's share capital, at an Offer Price of SAR [●] per Share.
Offering Period	The period commencing on Monday 29/12/1447H (corresponding to 15/06/2026G) until the end of day Wednesday 02/01/1448H (corresponding to 17/06/2026G).
Offering Proceeds	The total value of the Shares subscribed for in the Offering.
Operation and Maintenance Works	One of the Company's business divisions, comprising operation and maintenance works related for infrastructure projects in the water and transportation sectors (for further details regarding operation and maintenance works, see Section 4.7.2 (<i>Description of Operation and Maintenance Works</i>)). As of the date at this Prospectus, most of the services the Company provides as part of its operation and maintenance works relate to the provision of maintenance services to its clients.
Ordinary General Assembly	An Ordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Participating Parties	The parties entitled to participate in the book-building process in accordance with the Book-Building Instructions, as follows: 1. public and private funds that invest in securities listed on the Exchange, if permissible under the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book-Building Instructions; 2. Capital Market Institutions authorized by the CMA to trade in securities as principals, in compliance with the provisions of the Prudential Rules upon the submission of a Bid Form; 3. clients of a Capital Market Institution authorized by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book-Building Instructions; 4. legal persons allowed to open an investment account in the Kingdom, and an account with the Securities Depository Center, including foreign legal persons who are allowed to invest on the Saudi Exchange, in accordance with the Controls on Investment by Listed Companies in Exchange-Listed Securities set forth in CMA Circular No. 6/05158, dated 11/08/1435H (corresponding to 09/06/2014G), issued pursuant to CMA Board Resolution No. 9-28-2014, dated 20/07/1435H (corresponding to 19/05/2014G), as amended; 5. Governmental entities, any supranational authority recognized by the CMA, the Exchange, or any other stock exchange recognized by the CMA or the Securities Depository Center; 6. Government-owned companies, whether investing directly or through a portfolio manager; and 7. GCC companies, and GCC funds if permissible under the terms and conditions of such funds.
Person	A natural or legal person under the laws of the Kingdom.
Private Sector Clients	This includes a group of companies that the Company contracts with as part of its projects in the privatization sector, such as Al Haer Environmental Services Company and other clients from the private sector.
Prospectus	This document prepared by the Company in relation to the Offering.
Prudential Rules	The Prudential Rules issued pursuant to CMA Board Resolution No. 1-40-2012, dated 17/02/1434H (corresponding to 30/12/2012G), as amended by CMA Board Resolution No. 1-129-2022, dated 04/06/1444H (corresponding to 28/12/2022G), as amended.

Public	Persons other than the following: 1. Affiliates of the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors and senior executives of the Issuer's Affiliates; 5. directors and senior executives of the Issuer's Substantial Shareholders; 6. any Relatives of the persons referred to in paragraphs 1, 2, 3, 4 or 5 above; 7. any company controlled by any person referred to in paragraphs 1, 2, 3, 4, 5 or 6 above; and 8. persons acting in concert, with a collective shareholding of 5% or more of the class of Shares to be listed.
Public Sector Clients	Clients of the Company including ministries, Government agencies, public institutions and secretariats, such as the Ministry of Transport and Logistic Services, the Saudi Water Authority, the Saudi Authority for Industrial Cities and Technology Zones and the Riyadh Municipality, in addition to various other ministries and Government agencies.
Receiving Agents	The Receiving Agents whose names appear on pages (xii) to (xiv) of this Prospectus.
Regulation S	A set of rules issued under the US Securities Act.
Related Party	In this Prospectus, the term "Related Party" or "Related Parties" includes, in accordance with the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended: 1. Affiliates of the Issuer, except for companies wholly owned by the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors of an Affiliate of the Issuer; 5. directors and senior executives of the Issuer's Substantial Shareholders; 6. any Relatives of the persons described in paragraphs 1, 2, 3, or 5 above; and 7. any company controlled by any person described in paragraphs 1, 2, 3, 5 or 6 above. For the purposes of paragraph 6 above, Relatives shall mean fathers, mothers, husbands, wives and children.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations: 1. fathers, mothers, grandfathers and grandmothers (and their ancestors); 2. children and grandchildren (and their descendants); 3. siblings and maternal and paternal half-siblings; and 4. husbands and wives.
Risk Factors	A group of potential risks that should be understood and hedged against prior to making an investment decision in relation to the Offer Shares.
Roads General Authority	The Roads General Authority in the Kingdom.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G), as amended.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), in accordance with the CML promulgated by Royal Decree No. M/30, dated 02/06/1424H, as amended by CMA Board Resolution No. 3-6-2024 dated 05/07/1446H (corresponding to 17/01/2024G), as amended.
SAR	The Saudi Arabian Riyal, which is the lawful currency of the Kingdom.
Saudi Authority for Industrial Cities and Technology Zones	The Saudi Authority for Industrial Cities and Technology Zones in the Kingdom.
Saudi Central Bank (SAMA)	The Saudi Central Bank.
Saudi Water Authority	A Government institution concerned with desalinating seawater and delivering produced desalinated water to various regions of the Kingdom. It is one of the Company's key clients and was previously known as the "Saline Water Conversion Corporation (SWCC)".
Saudization	The nationalization requirements applicable in the Kingdom with respect to the labor market.
Secretary	The Secretary of the Board of Directors.

Selling Shareholders	The Shareholders Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Terad Damouk Mutlaq Al-Ghowairi, Mutlaq Mohamed Damouk Al-Ghowairi, Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, and Hind Mohamed Damouk Al-Ghowairi, whose names and ownership percentages are set out in Table 4 (<i>Direct Ownership Structure of the Company Pre- and Post-Offering</i>), and who will sell a portion of their Shares in the Offering.
Semi-Governmental Clients	Corporate clients of the Company which are owned or partly owned by the Government, such as the National Water Company and other semi-Governmental clients.
Senior Executives	The senior executives of the Company whose names appear in Table 5.6 (<i>Details of Senior Executives</i>).
Shareholder	Any holder of Shares in the Company.
Shares	Any ordinary share with a nominal value of SAR 1 per share in the Company's share capital.
SOCPA	The Saudi Organization for Chartered and Professional Accountants.
Subcontracting Policy	A policy adopted by the Company on the procedures for selecting and managing Subcontractors.
Subscriber(s)	The Participating Parties and Individual Subscribers participating in the Offering.
Subscription Application Form	The subscription application form to be used by Participating Parties and Individual Subscribers (as the case may be) to subscribe for the Offer Shares.
Substantial Shareholders	Shareholders who individually own 5% or more of the Issuer's Shares.
Underwriters	Al Rajhi Capital, Morgan Stanley Saudi Arabia, anb capital, and Emirates NBD Capital KSA.
Underwriting Agreement	The Underwriting Agreement entered into between the Company, the Selling Shareholders and the Underwriters in connection with the Offering.
US Securities Act	The US Securities Act of 1933G, as amended.
VAT	The value-added tax imposed in the Kingdom pursuant to the VAT Law, currently amounting to 15%.
Vice President of Finance	The Company's Vice President of Finance.
Vision 2030	The National Strategic Economic Program announced by the Kingdom's Government in 2016G, which aims to reduce dependence on oil and petrochemical industries, diversify the Kingdom's economy and develop public services.
Zakat	Zakat imposed on Muslims as the third pillar of Islam under the applicable laws in the Kingdom.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.



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Risk Factors

2. Risk Factors

Prior to making an investment decision with respect to the Offer Shares, all prospective investors should carefully consider the risk factors listed below together with other information contained in this Prospectus.

The risks and uncertainties described below are those that the Company currently believes could materially affect it or any investment in the Offer Shares. However, the risks and uncertainties listed below do not necessarily comprise all those that may affect the Company or an investment in the Offer Shares. There may be additional risks and uncertainties that the Directors are currently unaware of, or that they currently believe are immaterial. The occurrence or realization of any such risks or uncertainties may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. As a result, the price of the Company's Shares may decline, the Company's ability to pay dividends to Shareholders could be impaired, and/or Investors may lose all or part of their investments in the Shares.

The Directors declare that, to the best of their knowledge and belief, there are no other material risks as at the date of this Prospectus aside from those mentioned in this section that could affect Investors' decisions to invest in the Offer Shares. All prospective investors wishing to invest in the Offer Shares should assess the risks associated with the Offer Shares, the Company's business and operations, the Offering in general, and the economic and regulatory environment in which the Company operates.

An investment in the Offer Shares is only suitable for investors who are able to evaluate the risks and rewards of such investment and who have sufficient resources to bear any loss arising therefrom. Prospective investors who have doubts about which actions they should take should refer to a financial advisor duly licensed by the CMA for advice.

The risks described below are not presented in any assumed order of priority that can reflect their expected impact on the Company.

2.1 Risks Related to the Operations of the Company

2.1.1 Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates

- **Concentration in Specific Sectors**

The Company undertakes construction works that mainly include EPC projects related to infrastructure in the water, transportation and urban development sectors. The Company also undertakes operation and maintenance works related to infrastructure projects in the water and transportation sectors. However, the Company's revenues are concentrated in works related to infrastructure for the water and transport sectors.

Revenue generated from works related to water sector infrastructure amounted to SAR 2,123.4 million, SAR 3,042.7 million, SAR 2,726.3 million and SAR 1,116.7 million, representing 92.9%, 92.2%, 84.2% and 74.7% of the Company's contracts revenue for the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. The Company's revenue generated from works related to transport sector infrastructure amounted to SAR 114.3 million, SAR 236.4 million, SAR 511.2 million and SAR 379.2 million, representing 5.0%, 7.2%, 15.8% and 25.3% of the Company's contracts revenue for the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

Although the water and transport sectors in the Kingdom are expected to expand, there can be no assurance that such expectations will be realized. These sectors may be affected by cyclical fluctuations or changes in Government policies and broader economic conditions, any of which could have a material adverse effect on the Company's business, financial position, results of operations and prospects (for further details on risks related to economic conditions, refer to Section 2.2.11 (*Risks Related to the Impact of Economic Conditions on the Company's Operations*) of this Prospectus).

• Client Base Concentration

The Company's client base is concentrated among a limited number of clients, reflecting the nature of its business, which involves the execution of infrastructure projects within the Kingdom. As at 30 June 2025G, the Company maintained active contracts with 13 clients. Although the number of clients has remained relatively stable, standing at 11, 13, 12 and 13 for the years ended 31 December 2022G, 2023G and 2024G and as at 30 June 2025G, respectively, such concentration may have a material adverse effect on the Company's ability to negotiate contracts for favorable pricing or contractual terms. In addition, the termination, scaling down of scope, non-renewal, default, or delinquency by any of these clients could have an adverse effect on the Company's business, financial position, results of operations and prospects (for further information on risks related to termination, suspension, delay, scaling down of scope or extension of contracts with clients, please refer to Section 2.1.3 (*Risks Related to Contractual Relationships with Clients and the Termination, Suspension, Delay, Scaling Down of Scope or Extension of Contracts Concluded with Them, or their Assignment to Third Parties*) of this Prospectus).

Although the Company's top four revenue-generating clients have varied across the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, there can be no assurance that the Company will be able to replace such clients in the future in a timely manner or on comparable terms, and the following table sets out the Company's client concentration by revenue for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 2.1: Client Concentration by Revenue

Financial Period	Company's Top Four Clients in Terms of Revenue for the Financial Year/Period	Revenue from that Client for the Financial Year/Period (SAR Million)	Revenue from that Client for the Financial Year/Period to the Company's Contracts Revenue During the Financial Period	Revenue from the Company's Top Four Clients for the Financial Period as a Percentage of the Company's Contracts Revenue During the Financial Period
Financial year ended 31 December 2022G	National Water Company	306.8	13.4%	91.8%
	Saudi Water Authority	1,240.7	54.3%	
	Client 3	437.5	19.1%	
	Ministry of Transport and Logistic Services	113.7	5.0%	
Financial year ended 31 December 2023G	National Water Company	387.3	11.7%	81.1%
	Saudi Water Authority	1,036.3	31.4%	
	Client 3	399.7	12.1%	
	Client 1	852.8	25.8%	
Financial year ended 31 December 2024G	Client 1	1,319.3	40.8%	77.5%
	Saudi Water Authority	436.9	13.5%	
	Riyadh Municipality	392.2	12.1%	
	Ministry of Transport and Logistic Services	362.1	11.2%	
Six-month period ended 30 June 2025G	Al Haer Environmental Services Company	265.3	17.7%	59.1%
	Riyadh Municipality	223.9	15%	
	Ministry of Transport and Logistic Services	222.3	14.9%	
	Stream Water Transmission Company	172.0	11.5%	

Source: Management information.

Considering the total proportion of the Company's contracts revenue represented by these clients, this concentration has steadily declined over the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G. However, any default by these clients or the termination of their relationship with the Company could have a material adverse effect on the Company's business, financial position, results of operations and prospects.

- **Concentration in Public Sector and Semi-Governmental Clients**

Although the Kingdom continues to encourage the launching, execution and completion of infrastructure privatization projects, the majority of projects within the Company's business sector are still commissioned by Public Sector and Semi-Governmental Clients. Consequently, the Company's revenue remains concentrated among these clients. Revenues generated from Public Sector and Semi-Governmental Clients amounted to SAR 1,711.2 million, SAR 2,609.4 million, SAR 2,982.6 million and SAR 980.4 million, representing 74.8%, 79.1%, 92.1% and 65.5% of the Company's contracts revenue for the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively (for further information on the Company's material contracts, see Section 11.6 (*Material Agreements and Transactions*) of this Prospectus).

The growth of the Company's business and revenue depends on its ability to continue securing infrastructure projects at appropriate costs and on adequate terms. However, the Company cannot guarantee its continued qualification for tenders or that it will continue to secure new projects (for further information regarding risks related to tender requirements and procedures in infrastructure projects, please refer to Section 2.1.4 (*Risks Related to Tender Requirements and Procedures in Infrastructure Projects*) of this Prospectus). Furthermore, the Company cannot guarantee the continued need of its current Public Sector and Semi-Governmental Clients to offer infrastructure projects in the water, transportation and urban development sectors. There is no guarantee that the Kingdom's Government will continue to focus on these sectors as a strategic priority, or that there will be no changes in political, economic or regulatory conditions or public spending policy. The occurrence of any of the foregoing would have an adverse effect on the Company's business, financial position, results of operations and prospects. There is also no guarantee that the Company will continue to receive projects from its current clients given the proliferation of privatization projects and the subdivision and restructuring of the administrative and organizational authorities associated with its Public Sector Clients (for further information regarding risks related to the structure of the infrastructure market for the water and road sectors, please refer to Section 2.2.1 (*Risks Related to the Structure of the Water and Road Infrastructure Market*) of this Prospectus).

- **Concentration of the Company's Business in the Kingdom**

The Company's operations are concentrated in construction works, mainly comprising EPC projects related to infrastructure projects in the water, transport and urban development sectors, and operation and maintenance works related to water and transportation sector infrastructure solely within the Kingdom. The Company has no activities outside the Kingdom, and all its revenues are generated from its clients in the Kingdom. Despite the growth opportunities available to the Company in the Kingdom due to the growing number of infrastructure projects and the Company's pursuit of diversifying its business by entering new markets, including GCC countries, while adopting a prudent approach that maintains its financial solvency, the Company does not guarantee that its revenue will not be adversely affected, including as a result of any disruption in the Company's business sectors in the Kingdom, general local or global economic conditions, political conditions in the region, or changes in regulatory frameworks, which could have a material adverse effect on the Company's business, financial position, results of operations and prospects (for further information on risks related to the expansion of the Company's business, please refer to Section 2.1.43 (*Risks Related to the Expansion of the Company's Business*) of this Prospectus).

2.1.2 Risks Related to Contracting with Public Sector and Semi-Governmental Clients

The process for contracting with Public Sector and Semi-Governmental Clients to execute projects could entail a number of risks, including the following:

- Contracts with Public Sector and Semi-Governmental Clients are subject to regulatory frameworks that are characterized by substantive and procedural rigor. These regulatory frameworks regulate the procedures and mechanisms for the offer and award of projects and the stages and requirements of contracting, along with the associated requirements. This results in the Company incurring high costs and exerting significant efforts in order to meet qualification criteria, apply for tenders and enter into the relevant contracts (for further information regarding risks related to tender requirements and procedures, please refer to Section 2.1.4 (*Risks Related to Tender Requirements and Procedures in Infrastructure Projects*) of this Prospectus).
- Public Sector and Semi-Governmental Clients may take longer than expected to ensure compliance with the relevant regulatory and procedural frameworks and to obtain the necessary administrative approvals in order to award projects and conclude contracts with the Company or other contractors. This may disrupt the Company's ability to exploit the resources pre-allocated to such projects and thus cause it to incur losses resulting from the above (for further information regarding risks related to delays in the execution of projects, please refer to Section 2.1.8 (*Risks Related to Delays in Project Execution and Delay Fines*) of this Prospectus).

- The Company's Public Sector and Semi-Governmental Clients usually use unified, non-negotiable contracts prepared according to a framework that serves the interest of the project owner. These contracts may require contractors to provide substantial bank guarantees, which may affect the Company's flexibility and financial efficiency due to funds being potentially held under such guarantees. These contracts may also include provisions that prevent or restrict the contractor's ability to subcontract in a way that could limit the Company's flexibility in carrying out its works. Furthermore, such contracts may stipulate strict penalties in cases of breach and the contractor may be held liable for defects in construction (for further information regarding risks related to bank guarantees and liability for defects in construction, please refer to Section 2.1.24 (*Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business*) and Section 2.1.6 (*Risks Related to Construction Defects in Projects Executed by the Company*) of this Prospectus).
- A lump sum amount is usually specified in construction contracts with Public Sector and Semi-Governmental Clients. Although such lump sum amount may be amended based on the agreement of the concerned parties, this may result in a mismatch between the project pricing methodology and the actual cost of such project. Moreover, it may lead to risks associated with inaccurate estimation of the value of the relevant project (for further information regarding risks related to pricing, please refer to Section 2.1.5 (*Risks Related to Pricing Assumptions Used in Some of the Company's Contracts*) of this Prospectus).
- In certain cases, projects with the Public Sector and Semi-Governmental Clients may be subject to a higher risk of being scaled down or being terminated compared to private sector projects. This is due to the fact that such projects are directly affected by various political and economic factors as compared to private sector projects (for further information regarding risks related to the cancellation or narrowing of the scope of contracts, please refer to Section 2.1.1 (*Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates*) of this Prospectus).
- Contracts with Public Sector and Semi-Governmental Clients are often subject to a greater amount of media coverage than other contracts, and regardless of how accurate such media coverage is, any negative media coverage related to such contracts may adversely affect the Company's business or reputation.
- The Company's contracts with Public Sector and Semi-Governmental Clients are subject to a higher degree of regulatory oversight as compared to other contracts. This oversight can take several forms, including procedural oversight (such as the audit and review of the offering procedures and the award and handover of projects), financial oversight (such as the audit and review of payments), or oversight of the contractual obligations and the extent of the Company's commitment to all procedural, formal and substantive obligations. As a result of such oversight, the Company may be subject to various penalties and fines, including financial, penal and administrative penalties. This may also result in the termination of one or more of the Company's contracts with such clients or prevent them from contracting with the Company in the future. The occurrence of any of the above will have an adverse effect on the Company's business, reputation and ability to contract with Public Sector and Semi-Governmental Clients.
- Due to the existence of dedicated regulatory frameworks that govern the operations of Public Sector and Semi-Governmental Clients and given the substantive and procedural accuracy of such frameworks, compliance therewith may take longer than usual compared to dealings with the private sector. Moreover, the delay of Public Sector and Semi-Governmental Clients in settling amounts owed to the Company may expose it to issues in maintaining the required liquidity. This in turn may adversely affect its ability to pay third-party dues, employee wages, or secure the materials, equipment and services necessary for the continuity of its business.

If the Company is unable to manage the aforementioned risks, this may have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.3 Risks Related to Contractual Relationships with Clients and the Termination, Suspension, Delay, Scaling Down of Scope or Extension of Contracts Concluded with Them, or their Assignment to Third Parties

The Company undertakes construction works, mainly comprising EPC projects related to infrastructure projects in the water, transport and urban development sectors. The Company also undertakes operation and maintenance works related to water and transport sectors infrastructure. In the course of conducting its business, the Company enters into material agreements with clients and considers each such agreement to be material. The number of ongoing construction works agreements and operation and maintenance agreements with its clients as at 13/11/1447H (corresponding to 30/04/2026G) amounted to 31 agreements with a total value of SAR 23,080,771,483 (for further information, please refer to Section 2.1.1 (*Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates*) of this Prospectus).

Agreements with clients usually stipulate a lump sum amount, particularly in construction contracts with Public Sector and Semi-Governmental Clients, which may cause the project cost to differ from the consideration ultimately received by the Company (for further information regarding pricing risks, please refer to Section 2.1.5 (*Risks Related to Pricing Assumptions Used in Some of the Company's Contracts*) of this Prospectus). Such agreements also include provisions imposing financial penalties on the Company in the event of a delay in performing its obligations (for further information regarding project delays and delay penalties, please refer to Section 2.1.8 (*Risks Related to Delays in Project Execution and Delay Fines*) of this Prospectus).

Similar to other companies, the Company is exposed to the risk of termination, suspension, delay or scaling down of the scope of contracts concluded with its clients for reasons beyond its control. Such reasons may include changes in the project owner's plans, bankruptcy (in the case of private sector), inability to secure project financing, political or economic developments or restrictions on public expenditure related to infrastructure projects. Although none of the Company's clients have previously terminated, suspended, delayed or scaled down the scope of contracts concluded with the Company, the occurrence of any such event, combined with the Company's inability to secure alternative projects in a timely manner, could reduce the Company's overall profitability and cash flows, which in turn could have an adverse effect on its business, financial position, results of operations and prospects.

For example, the terms in a number of such agreements grant the contracting parties the right to terminate the agreement without cause, in which case the Company is entitled only to compensation for completed work and has no right to claim payment from its clients for the remaining works. This is included in the following agreements:

- Agreements entered into with Client 1, which is a semi-Governmental entity, under which the client has the right to terminate any of the agreements at any time at its absolute discretion, provided that the amounts due to the Company are settled. The Company also has the right to terminate if the client fails to meet its financial obligations (for further details, see Section 11.6.1.1 (*Company's Agreements with Client (1)*) of this Prospectus).
- Agreements entered into with the Saudi Water Authority grant the Saudi Water Authority the right to terminate any such agreements if required for public interest, provided that all amounts due to the Company are settled and the advance payment guarantee and final guarantee are returned (for further details, see Section 11.6.1.2 (*Company's Agreements with the Saudi Water Authority ("SWA")*) of this Prospectus).
- The agreement entered into with Client 3, which is a private company, grants the client the right to terminate the agreement at any time at its own discretion after providing written notice to the Company and provided that the amounts due to the Company are settled. The Company also has the right to terminate if the client fails to meet its financial obligations (for further details, see Section 11.6.1.4 (*The Company's Agreement with Client (3)*) of this Prospectus).

The terms in a number of such agreements also stipulate the right of the contracting parties to terminate the agreement if the Company materially breaches its obligations, or in the event of pandemics, such as force majeure, or in the event of the Company's bankruptcy or default. This is included the following agreements:

- Agreements entered into with Riyadh Municipality, under which Riyadh Municipality can terminate the agreement if the Company breaches any of the terms of the agreements and fails to remedy such breach within 15 days of being notified thereof (for further details, see Section 11.6.1.5 (*The Company's Material Agreements with Riyadh Municipality*) of this Prospectus).
- Agreements entered into with the Royal Commission for Riyadh City, under which the Royal Commission for Riyadh City can terminate the agreement if a force majeure event continues for 60 consecutive days (for further details, see Section 11.6.1.6 (*The Company's Agreements with the Royal Commission for Riyadh City*) of this Prospectus).
- The agreement entered into with the Ministry of Transport and Logistic Services, under which the Ministry of Transport and Logistic Services must terminate if the Company commits any of the acts requiring termination, including the Company's bankruptcy, liquidation, or dissolution (for further details, see Section 11.6.1.8 (*The Company's Agreement with the Ministry of Transport and Logistics Services*) of this Prospectus).

If any of the Company's contracts with its clients are terminated, whether due to the Company's breach of the terms of such contracts or for any other reason, this may have an adverse effect on the Company's business, financial position, results of operations and prospects.

The terms in a number of such agreements also stipulate the right of the contracting parties to extend the agreement, including the following agreements:

- Agreements entered into with Client 1, under which both the client and the Company have the right to issue variation order requests that may result in an extension of the agreement's duration, with such requests being subject to the client's approval (for further details, see Section 11.6.1.1 (*Company's Agreements with Client (1)*) of this Prospectus).

- The agreement entered into with Client 2, under which the client may issue change orders at its absolute discretion to direct the Company to modify the works, which may result in an extension of the agreement's duration (for further details, see Section 11.6.1.9 (*The Company's Agreement with Client (2)*) of this Prospectus).
- The agreement entered into with Al Haer Environmental Services Company, under which the client may issue change orders that may result in an extension of the agreement's duration (for further details, see Section 11.6.1.10 (*The Company's Agreement with Al-Haer Environmental Services Company*) of this Prospectus).

This may lead to an extension of the project duration, which could adversely affect the Company's overall profitability, cash flows and resources, as it would require the Company to allocate resources to the project for a longer period than initially agreed under the contract. Such extensions could also impact the Company's planning and its ability to pursue new projects. In addition, certain contracts concluded by the Company include provisions permitting the client to assign the contract to a third party. A change in the contracting client may result in modifications to the project plan or scope, which could negatively affect the project's profitability, the Company's operational plans and its capacity to secure new projects. The occurrence of any of the foregoing could have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.4 Risks Related to Tender Requirements and Procedures in Infrastructure Projects

Infrastructure projects are generally subject to regulatory frameworks that are characterized by substantive and procedural rigor, as it is not usual for these projects to be assigned entirely and directly to contractors. Owners of infrastructure projects may undertake the necessary procedures and impose strict qualification or award criteria to ensure that contractors or candidates qualify and the bids they submit fulfill various commercial, substantive, regulatory and procedural requirements prior to the qualification or award, as the case may be. Such requirements may be based on the policies of the project owner or on relevant laws, such as the Contractors Classification Law, the Government Tenders and Procurement Law for Government entities, and the special pre-qualification program for companies affiliated with the Public Investment Fund, in addition to other relevant laws that may be generally applied in contracting processes based on the nature of the client and project, among other factors.

Regulatory qualification standards, as well as those optionally applied by clients, are intended to measure the contractor's technical, financial and administrative ability and the extent of its contractual obligations in proportion to the nature, size and value of the project. The evaluation criteria and conditions for technical proposals include specifications for materials and equipment, the method of execution of works and services required for the project, and the contractor's previous experience. Evaluation criteria and requirements for financial proposals usually specify the total prices along with any increases or decreases therein. In adhering to these criteria and requirements, the Company may be forced to follow a pricing methodology that is based on incomplete data which could result in inaccurate project cost estimations, which could in turn result in the Company incurring additional costs if such project is awarded (for further information regarding risks related to pricing, please refer to Section 2.1.5 (*Risks Related to Pricing Assumptions Used in Some of the Company's Contracts*) of this Prospectus). Furthermore, tender procedures usually require the provision of a bid bond (for further information regarding risks related to the bank guarantees provided by the Company, please refer to Section 2.1.24 (*Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business*) of this Prospectus).

The Company does not generally rely on external parties or consultants in preparing technical proposals and related studies and submitting them to clients. Technical proposals and related studies are usually prepared by the Company's Technical Affairs Department; however, the Company may collaborate with external parties or seek the assistance of service providers in certain cases. For instance, the Company may engage a designer or an independent party to perform a specific task based on the terms of the contract to be concluded with the relevant client or the requirements of the relevant tender or project. The percentage of tenders in which the Company enlisted the help of external parties represented between 6%, 8%, 8% and 12% of the total tenders in which the Company participated during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G. If the Company seeks assistance from external parties or collaborates with them for the purpose of participating in a tender, this may cause the Company to incur additional costs or result in risks related to the inaccuracy or quality of the outputs of these external parties, which may negatively affect the Company's ability to win such tender or lead to it encountering issues in execution due to inaccurate specifications, which in turn will have an adverse effect on its business, financial position, results of operations and prospects.

There is no guarantee that the Company will continue to meet qualification requirements. The Company does not guarantee its ability to apply for every tender in which it is eligible to participate, as this requires the allocation of resources and the exertion of significant effort to prepare the technical and financial proposals and complete other tender procedures. In cases where the Company participates in tenders, its technical proposal may not meet

the necessary technical requirements or surpass the technical proposals submitted by other bidders. Even if the Company meets all technical requirements, it may lose the tender due to the high value of its financial proposal in comparison to market prices and proposals submitted by other bidders (for further information regarding tenders within the sector, please refer to Section 2.2.10 (*Risks Related to Competition and the Intensification Thereof*) of this Prospectus). Moreover, the project owner may announce a tender and not offer it on the announced offer date or make changes to the procedures or requirements of the tender after it is offered and the Company has commenced the relevant preparatory processes, or there may be a delay in the announced award date for the project. Even if a decision to award a project to the Company is issued and announced, the project owner, if it is a Government entity, is required to observe a standstill period ranging from five to ten working days, during which the award cannot be finalized and the contract cannot be signed, in order to enable other bidders to file a grievance against the award decision. If any of the other bidders file such grievances, this may result in a delay, suspension or cancellation of the decision to award the project to the Company. If the Company incurs significant expenses in order to participate in tenders and subsequently loses a large number of such tenders in a way that is not consistent with its strategic objectives and financial plan, this will have an adverse effect on its business, financial position, results of operations and prospects.

2.1.5 Risks Related to Pricing Assumptions Used in Some of the Company's Contracts

Pricing construction contracts is considered complex and depends largely on the Company's internal estimates, engineering studies and geographical surveys that the Company carries out before contracting with its clients. Such estimates may be based on inaccurate information or information that is subject to change. In general, the accuracy of the Company's pricing of projects depends on several factors, including:

- conducting a field survey and preparing preliminary engineering designs that determine at a high-level the equipment required for project execution, the availability thereof, and the condition of the site, including identifying geographical areas that require special or particular attention within the project;
- preparing designs that are consistent with environmental requirements and the client's requirements;
- conducting a precise geographical survey of the sites adjacent to the project to determine transportation arrangements, including studying the condition of the crossings or roads leading to the project and the locations of water bodies or reserves near the project that may limit the right of way;
- adequately estimating operational costs for the project period; and
- determining the quantities of materials and costs required for project execution.

Any inaccuracy in the studies or estimates mentioned above could cause the actual cost of the project to differ from the estimated cost, lead to discrepancies between the actual condition or location of the project and the information on which such studies or estimates were based, or change the course of execution of the works. In addition, the actual project cost may be affected by several other factors, including changes in the prices of building materials, energy sources or the costs of hiring contractors. The actual cost of projects may also increase due to non-compliance with the agreed schedule, whether the Company is at fault or for reasons beyond its control, such as delays in obtaining the necessary approvals and licenses for construction work to commence. If any of the aforementioned risks were to occur, this may lead to a decrease in the expected profits of the relevant projects or the Company incurring losses, which would have an adverse effect on the Company's business, financial position, results of operations and prospects. For example, actual profitability was lower than estimated by the Company in several of its projects, including the EPC project for transmission systems for the Moghammas reservoir awarded to the Company by the Saudi Water Authority, and the EPC project for the independent wastewater treatment plant in the Qassim region, which was awarded to the Company and other contractors by Client 5. Actual profitability was lower than the Company's estimated profitability for both of these projects due to increased associated costs, including high prices of materials and the condition of the site differing from the initial assumptions.

Moreover, if there is modification to the scope of work, or any delay, postponement, suspension or termination of the contract by any of the Company's clients, the Company may be unable, whether through negotiation, arbitration, litigation or otherwise, to obtain sufficient amounts to compensate for the costs incurred with respect to the additional work or variation orders requested by the client. Litigation or arbitration of compensation claims may also be costly, and the time required to reach a resolution for such claims can be lengthy, and it is also difficult to predict the timeline and outcome. For example, the Company incurred additional expenses for a project as a result of carrying out additional excavation and mechanical works without obtaining written variation orders. This required the Company to initiate legal proceedings, which resulted in judgments in its favor for amounts of SAR 82.3 million and SAR 8.9 million. The client has since settled these amounts. The Company also incurred additional expenses for an existing project as a result of carrying additional works without obtaining written variation orders. These additional costs are estimated at 2.62% of the Company's revenue for the financial period ended 31 December

2024G, and the Company is still in the process of requesting approval for such additional expenses from the project owner. Accordingly, it does not guarantee its ability to collect the additional costs incurred, which may adversely affect the Company's business, financial position, results of operations and prospects.

2.1.6 Risks Related to Construction Defects in Projects Executed by the Company

Pursuant to the Implementing Regulations of the Saudi Building Code Application Law, the laws and regulations related to the Company's business and its contracts concluded with its clients impose obligations related to guaranteeing the Company's works for certain periods. For example, the Implementing Regulations of the Saudi Building Code Application Law impose on the Company a joint responsibility with the supervising designer of the project for the construction works. This includes guaranteeing any partial or complete collapse of the buildings it has built or erected, as well as all hidden defects that threaten the durability or safety of the building for a period of ten years from the date of issuance of the occupancy certificate. The above may lead to the submission of claims against the Company, whether individually or jointly with the supervising designer, for projects that have previously been delivered. This would have an adverse effect on the Company's business, financial position, results of operations and prospects.

In general, contracts with the Company's clients include warranties against defects in manufacturing and materials. In the event of warranty claims, the Company may be forced to re-provide services or repair or replace the warranty item at its own expense. In addition, the Company may be contractually obliged towards its clients to guarantee any defects or malfunctions in materials utilized in the Company's projects. Although the Company usually requires suppliers and subcontractors to provide guarantees consistent with the guarantees it provides to its clients, the Company may bear the costs of repairing or replacing defective materials for which it has not received compensation if any of these suppliers does not fulfill its guarantee obligations towards the Company. Such costs incurred from warranty claims would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.7 Risks Related to the Company's Ability to Predict the Number, Size and Timing of Future Projects

As at 31 December 2025G, the Company had 4,713 employees and 1,493 pieces of construction equipment, including excavators, bulldozers, cranes and trucks. The Company relies heavily on its human resources for the execution of its projects. Moreover, the Company determines the number of its employees and equipment based on work requirements for its current projects and its estimates for expected future projects, and although the Company conducts numerous market studies in order to reach these estimates, there is no guarantee that such estimates are accurate or that they will not change based on changing market data. It is not possible to accurately predict the number and size of the new projects that will be awarded to the Company or the timing or location for their execution. This makes it challenging to determine the size of the workforce and additional construction equipment required for the execution of these new projects. The Company may acquire additional volumes of the aforementioned resources in accordance with its growth plans and prospects by hiring additional employees, purchasing construction equipment and contracting with external parties to supply such resources in order to meet the contractual requirements of the expected projects. However, in the event of a delay, cancellation or suspension of the award of new projects or the related work permits or in the case of a reduction in the scope of projects (as was the case during the COVID-19 pandemic and the period when both the global and Saudi economies were adversely affected during the years 2016G and 2017G), the Company may incur additional costs without achieving any revenue in return. This will negatively affect the Company's net income and its liquidity ratio, which in turn will have an adverse effect on the Company's business, financial position, results of operations and prospects.

If the number and size of the projects awarded to the Company exceed expectations, or the actual start times of such projects differ from the anticipated timelines, the Company may face difficulties in providing the workforce, materials, equipment or services necessary for the performance of its contractual obligations in such projects. This could lead to a delay in works by the Company and thus constitute a breach of its contractual obligations, which may result in the imposition of late fines, the liquidation of guarantees provided by the Company or the termination of the relevant contract, which in turn would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.8 Risks Related to Delays in Project Execution and Delay Fines

As construction works awarded to the Company are carried out over multiple stages, such as the detailed design and engineering phase, procurement of materials and equipment phase, and construction phase, such works are executed within a work schedule agreed upon between the Company and the client. The Company may encounter risks related to delays in project completion due to several reasons, such as changes in the course of the project for any reason, delays in obtaining or renewing the necessary licenses and permits to commence execution of projects or any stages thereof, the fulfillment of other regulatory requirements, delays in project execution for various reasons such as force majeure or emergency circumstances such as unforeseen issues with respect to the site or geographical studies, engineering or designs related to projects, commissioning, adverse weather conditions, failure to perform work by the Company's employees, or lack of the necessary financing. In addition, the Company's subcontractors may fail to perform their work, including through lapses in the quality thereof and non-compliance of the equipment or materials used by subcontractors with required or agreed regulatory standards. Furthermore, if any of the subcontractors or suppliers fails to fulfill their obligations related to construction works undertaken by the Company, the Company may encounter material delays and additional costs. These risks may be exacerbated in cases where it is necessary for the Company to replace the subcontractor or supplier as a result of its breach, since there is no guarantee that the replacement contractor will carry out the work as required and without additional delays. If any of these risks occur and the Company thus fails to comply with the agreed schedule, the Company may incur additional costs, including cash compensation pursuant to the terms contained in the Company's contracts with its clients or under the applicable laws, including the Government Tenders and Procurement Law, which in turn would negatively affect the profitability of projects. For example, the Company was subject to a delay fine in connection with the renovation and improvement project for the Al Bathaa land port of SAR 811 thousand for the financial year ended 31 December 2023G. Additionally, the Company received a warning letter dated 17/10/1447H (corresponding to 05/04/2026G) from the owner of the project to replace technologies and end-of-life assets of the Jubail station in connection with the delay of the subcontractor appointed by the Company in performing the subcontracted work. The Company has taken the necessary measures to rectify this matter, including forming a specialized team composed of experts in this area within the Company. It is worth noting that the Company has not established any allocations for fines and violations as at 13/11/1447H (corresponding to 30/04/2026G).

In addition to the fines that may be imposed by the Company's clients, the Company's failure to adhere to the agreed schedule may result in the cancellation of the project and the Company may be unable to compensate for those projects (for further information regarding the risks related to the cancellation of the Company's projects, please refer to Section 2.1.1 (*Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates*) of this Prospectus). Delays in contract execution or termination of such contracts may also affect the Company's reputation and its relationship with clients, which would adversely affect its ability to obtain new contracts (for further information regarding the risks associated with the Company's reputation, please refer to Section 2.1.15 (*Risks Related to the Company's Reputation and the Quality of Services Provided*) of this Prospectus).

2.1.9 Risks Related to Revenue Recognition Using the Percentage of Completion Method

One of the most significant accounting risks related to long-term construction contracts (such as the Company's contracts with its clients) is determining revenues to be recognized and the timing of the recognition process, in addition to addressing the costs incurred by the Company during the contract execution period and estimating the costs necessary for completing and executing the works. The Company recognizes most of its revenues using the percentage of completion method in accordance with the IFRS, and 100%, 96.6%, 96.5%, 96.3% and 96.3% of the Company's revenues were recognized using the percentage of completion method for the financial years ended 31 December 2022G, 2023G, 2024G, the six-month period ended 30 June 2024G and the six-month period ended 30 June 2025G, respectively. Under this method (hereinafter referred to in this section as the "Percentage of Completion Method"), the revenues resulting from the contract are recognized over the contract execution period, with revenue for a given period being calculated based on the percentage of the costs incurred for work completed during the period to the total estimated costs for contract completion. This is done regardless of the actual invoices that the Company may have issued or revenue it may have received, as these invoices are treated as amounts receivable from clients rather than revenue owed to the Company.

These recognized revenues, measured using the Percentage of Completion Method, are included in the Company's income statement. The profit for the period is represented by the difference between the period's revenues and its costs. Profits are then transferred to the retained earnings account in the Company's statement of financial position and are included in the Company's tax base. This method necessitates the determination of the completion percentage for each accounting period, based on which revenue, costs, and profits related to the relevant contract are recorded. It also requires the Company to have an effective budgeting and reporting system that enables it

to estimate the revenue and costs necessary to complete contracts with a reasonable degree of accuracy. The Company's ability to estimate costs depends on the Company's knowledge of the expected costs of resources needed to execute projects based on market data, and the Company's experience and historical information, as such factors promote the accuracy of financial estimates. Therefore, the Company's inability to estimate costs accurately may have a material adverse effect on its business, financial position, results of operations and prospects.

In 2023G, the Company reviewed the expected costs of existing projects, their completion percentages and the resulting revenues, which had been initially estimated upon the commencement of execution of these projects. This review resulted in adjusting part of its initial estimates, which primarily contributed to an increase in the Company's gross profit margin from 30.2% for the financial year ended 31 December 2022G to 46.0% for the financial year ended 31 December 2023G. In addition, the Company's ability to enhance the efficiency of operational processes related to two water transmission projects by finding suitable alternatives to execute works at a lower cost, including providing suitable alternatives for transporting raw materials, dealing with other subcontractors to execute projects and utilizing modern engineering practices, has also contributed to a lesser extent in the increase in the Company's gross profit margin. The gross profit margin rate for these two projects reached 52.9% as at 31 December 2024G, compared to the estimated gross profit margin rate for other existing projects that began before the financial year 2023G, which was approximately 28% as at 30 June 2025G.

Revenue is recognized using the Percentage of Completion Method, as explained above, regardless of the actual interim financial certificates the Company may have issued. Accordingly, during the execution of projects, the amounts for which interim financial certificates were issued to clients are classified as contract receivables. These amounted to SAR 749.5 million, SAR 758.1 million, SAR 998.7 million and SAR 1,123 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. The Company's clients typically have the right to review progress stages and determine whether or not a particular project phase has actually been completed. If a client disagrees with the Company regarding the completion of one of the project phases, this may result in a delay in the payments due to the Company from the client or the failure to obtain any of those entitlements, whether partially or fully. It could also result in contractual disputes with the client, modifying the scope of the contract or terminating it. To the extent that revenue recognized pursuant to the Percentage of Completion Method exceeds the corresponding interim financial certificates issued to clients, such excess is recognized as 'Contract Assets' in the Company's financial statements (for further information on risks related to the Company's contract assets, please refer to Section 2.1.10 (*Risks Related to the Company's Contract Assets*) of this Prospectus). If the Company fails to accurately define the key milestones for project deliverables, or there is a disagreement between the Company and the client in determining whether a project phase has been completed, or if the value of each phase is improperly estimated, this will lead to inaccuracies in the revenues recognized using the Percentage of Completion Method for those projects, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.10 Risks Related to the Company's Contract Assets

The interim financial certificates submitted by the Company to its clients are usually subject to review by the client and the independent technical advisor for the relevant project before they are approved by the client. The client's approval of an interim financial certificate typically takes around 180 days. Subsequently, the Company issues a tax invoice –a regulatory document confirming the provision of the required service subject to VAT - to the client upon obtaining such approvals and records debit balances against the client until payments are collected. Using the Percentage of Completion Method to recognize revenues in construction contracts results in the recognition of the relevant revenues based on the actual costs of the project, regardless of payments that the Company has actually received or the actual interim financial certificates it has issued. Consequently, asset balances related to construction contracts concluded with the Company's clients are automatically recorded upon revenue recognition using the Percentage of Completion Method, in accordance with the IFRS.

In 2025G, the Company started using an enterprise resource planning (ERP) system to calculate contract assets, whereas prior to this, it relied on internally prepared reports. The following table sets out the aging of the Company's contract assets as at 30 June 2025G:

Table 2.2: Aging of the Company's Contract Assets as at 30 June 2025G

SAR Million	Contract Asset Aging					
	0-90 Days	91-180 Days	181-270 Days	271-365 Days	More than 365 Days	Total
Contract assets	803.6	567.6	612.7	30.7	115.7	2,130.3

Source: Management information.

As at the financial year ended 31 December 2022G, the Company's contract asset balances amounted to SAR 559.1 million, with 100% of its revenues recorded using the Percentage of Completion Method. As at the financial year ended 31 December 2023G, the Company's contract asset balances amounted to SAR 1,111.9 million, with 96.6% of the Company's contracts revenues recorded using the Percentage of Completion Method, while the remaining 3.4% relates to maintenance contracts independent of construction contracts, where revenues are recognized over time based on monthly invoices. As at 31 December 2024G, the Company's contract asset balances amounted to SAR 1,703.7 million, with 95.4% of the Company's contracts revenue recorded using the Percentage of Completion Method, while the remaining 3.5% relates to maintenance contracts independent of construction contracts where revenues are recognized over time based on monthly invoices. As at 30 June 2025G, the Company's contract asset balances reached SAR 1,861.8 million, with 96.3% of the Company's contracts revenues recorded using the Percentage of Completion Method. An allowance for expected credit losses on the Company's contract assets was recognized in the amounts of SAR 25.4 million, SAR 15.6 million, SAR 27.5 million and SAR 18.3 million, representing 3.4%, 1.0%, 1.4% and 0.9% of the Company's contract assets as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively.

As at 31 December 2022G, the Company's three largest clients in terms of contract asset balances were the Saudi Water Authority, Client 3, and the National Water Company, representing 50.5%, 30.4% and 13.9%, respectively, of the Company's contract asset balance. As at 31 December 2023G, the three largest clients in terms of contract asset balances were Client 1, the Saudi Water Authority, and the National Water Company, representing 33.7%, 26.9%, and 18.5%, respectively, of the Company's contract asset balances. As at 31 December 2024G, the three largest clients in terms of contract asset balances were Client 1, the Saudi Water Authority, and the Riyadh Municipality, representing 30.9%, 15.2%, and 14.4%, respectively, of the Company's contract asset balances. As at 30 June 2025G, the three largest clients in terms of contract asset balances were Client 1, the Riyadh Municipality, and the Saudi Water Authority, representing 24.8%, 12.6%, and 12.4%, respectively, of the Company's contract asset balances.

The balance of the Company's contract assets increased from SAR 559.1 million as at 31 December 2022G to SAR 1,703.7 million as at 31 December 2024G, as the Company's contract asset turnover days rose from 89 days to 192 days over the same period. This increase was mainly driven by the higher volume of the Company's business and contracts in addition to delays by some clients in approving the Company's interim financial certificates for several projects, as most clients suspend the last interim financial certificates approval, which typically represents 10% of the contract value, until project completion and handover to the client. For example, as at 30 June 2025G, the Company's contract assets related to the Al-Khobar and Al-Hofuf Water Transmission System project and the wastewater treatment plant in Medina amounted to SAR 111.1 million and SAR 68.5 million, respectively, with interim financial certificates approval expected upon project handover.

Interim financial certificates may also be delayed despite work completion for several reasons, such as clients disputing whether the work meets specifications, requesting additional review of deliverables, seeking modifications that affect the scope of work, prices or quantities, or when issuance of interim financial certificate depends on third-party approvals, like the Ministry of Finance in Government projects, resulting in payment delays. For example, as at 30 June 2025G, the Company had not yet issued invoices for work performed for a water transmission project in the Western region, although the value of completed work recorded as contract assets amounted to SAR 84.8 million, representing 9.4% of the revenue recognized from this project to date. The project owner approved revised prices under a variation order, and the Company is awaiting approval of these revised prices from the project company and the principal water buyer in accordance with applicable laws and procedures to enable the issuance of the related invoices. As at 30 June 2025G, Client 1 accounted for the largest share of these assets, amounting to SAR 527.3 million, representing 23.1% of the revenue recognized from the Company's projects with this client to date. Although this client approved interim financial certificate valued at SAR 135 million as at August 2025G and the Company issued the related invoices, there is no assurance that certain contract assets will remain un-invoiced in the future due to the client's potential non-acceptance of part of the executed work for any reason. Such circumstances may compel the Company to write off contract assets, which could negatively impact its profitability and working capital in the future, and consequently have a material adverse effect on the Company's business, financial position, results of operations and prospects (for further details regarding contract assets, please refer to Section 6.3.2 (*Contract balances*) of this Prospectus).

2.1.11 Risks Related to Backlog

Backlog is not a term recognized under IFRS and may not be comparable to similarly titled measures of other companies. The Company's backlog consists of the total value of executed contracts (as amended) for which (i) the Company has commenced work or (ii) the Company has not commenced work but has received a notice to proceed, less revenue already recognized on those contracts. The backlog also includes the total value of executed variation orders. Backlog is subject to adjustments or cancellations.

The Company's backlog amounted to SAR 3,625 million, SAR 4,385 million, SAR 4,080 million, and SAR 9,387 million as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively. The backlog is highly concentrated among four major clients, namely: Stream Water Transmission Company, the Royal Commission for Riyadh City, the Riyadh Municipality, and Al Haer Environmental Services Company, which collectively represent approximately 91.5% of the total backlog as at 30 June 2025G. The Company's transactions with Stream Water Transmission Company, which is a related party as per the CMA rules and regulations definition, represented 68% of the total value of the Company's backlog as at 30 June 2025G. Stream Water Transmission Company was classified as a related party (for the purposes of the CMA rules and regulations) due to the ownership of the Company's affiliate of 35% of Stream Water Transmission Company share capital. Stream Water Transmission Company was not classified as a related party in the Company's unaudited condensed interim financial information as at and for the nine month period ended 30 September 2025G, as there is no effective control or significant influence by the Company's affiliate over the material financial and operational decisions of Stream Water Transmission Company, in accordance with the International Accounting Standard No. 24 on related party disclosures. Further, Stream Water Transmission Company is a special purpose company established by a consortium of investors in accordance with the structure commonly used in Build-Own-Operate-Transfer (BOOT) projects involving public-private partnerships, and the relevant project is part of the Kingdom's efforts to enhance water security.

Backlog estimates are based on various assumptions, including the scope of work and timeline for execution, and may not accurately reflect, in whole or in part, future revenues. These estimates represent potential revenues assuming such assumptions prove accurate, and no unforeseen developments occur. Actual revenues may vary from backlog estimates due to factors such as project acceleration, execution of new contracts, early termination or modification of existing contracts, the Company's delay or failure, in whole or in part, to perform its contractual obligations or clients' inability to complete projects or meet payment obligations as well as macroeconomic factors beyond the Company's control.

In addition, most of the Company's contracts with clients include terms that allow the client to terminate the contract or modify the scope of work without prior written notice or sufficient notice period. In the event of termination or modification to the scope of work, the Company may be entitled only to reimbursement of certain costs on work performed to the date of such termination or modification (for further details regarding risks associated with contract cancellations or modifications, please refer to Section 2.1.3 (*Risks Related to Contractual Relationships with Clients and the Termination, Suspension, Delay, Scaling Down of Scope or Extension of Contracts Concluded with Them, or their Assignment to Third Parties*)).

Many projects may remain in the Company's backlog for an extended period due to their size or long-term nature, and projects may be delayed, scaled back or canceled, all of which may affect the Company's revenues.

Accordingly, any of the above could have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.12 Risks Related to the Sustainability of the Company's Revenue Growth and Profitability

The Company's contracts revenue increased from SAR 2.3 billion for the financial year ended 31 December 2022G to SAR 3.3 billion for the financial year ended 31 December 2023G, and then decreased to SAR 3.2 billion for the financial year ended 31 December 2024G. The Company's gross profit margin also rose from 30.2% for the financial year ended 31 December 2022G to 46.0% for the financial year ended 31 December 2023G, then declined to 42.6% for the financial year ended 31 December 2024G.

The increase in the Company's contracts revenue and profit margins between the financial year ended 31 December 2022G and 2023G was mainly driven by the relatively high profit margin of the EPC Project for water transmission systems from Albid'e main tank to the tank to lower mountain and visitor's section Center Tank and the EPC Project for water transmission systems extending from Gayal to Albid'e tank and the pressure brake tanks in Magna, which were awarded to the Company in 2023G. The actual gross profit margin for these two projects amounted to 64.0%, compared to an actual average gross profit margin of approximately 31% for other ongoing projects

that commenced before the 2023G financial year, as at 31 December 2024G (for further details regarding these projects, please refer to Section 4.7.1.2(Ongoing Construction Works Projects)). The decrease in the Company's contracts revenue and profit margins between the financial year ended 31 December 2023G and the financial year ended 31 December 2024G was due to the decline in the profit margins of these two projects to 52.9% and the decline in the estimated gross profit margin for projects awarded and executed by the Company during the financial year ended 31 December 2024G.

The Company's contracts revenue decreased from SAR 1.6 billion for the six-month period ended 30 June 2024G to SAR 1.5 billion for the six-month period ended 30 June 2025G. The Company's gross profit margin also decreased from 52.1% for the six-month period ended 30 June 2024G to 32.5% for the six-month period ended 30 June 2025G. The decrease in contracts revenue and profit margins was mainly attributed to the completion of various major projects, a decrease in the contribution of projects with high profit margins and an increase in costs.

The Company's ability to grow its business depends on its ability to secure new projects. The duration of most of the Company's projects ranges between two and three years, consistent with the typical project cycle in the sector. Although the Company's business sectors, represented by construction works (mainly comprising infrastructure EPC projects in the water, transport, and urban development sectors) and infrastructure operation and maintenance works for the water and transport sectors, are expected to grow (for further information regarding this, see Section 3 (Market Overview) of this Prospectus), the Company cannot guarantee its continued success in securing new projects with profit margins similar to those achieved for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G. The Company's gross profit margin is expected to be affected upon the completion of projects with high profit margins and its inability to secure new projects with similar margins. Project profit margins may vary due to several factors, including the nature, duration, size and technical requirements of the project, as well as the level of competition and payment structure. For example, as at 30 June 2025G, the estimated gross profit margin for existing projects awarded to the Company after the financial year ended 31 December 2024G was 20%, compared to the estimated actual average gross profit margin of approximately 36.5% for other existing projects that commenced prior to the financial year 2024G.

In general, any growth in the Company's revenues or profitability in previous periods cannot be considered an indicator of its future performance, as the Company cannot guarantee the continuation of such growth. The Company may also not be able to maintain the level of profitability it achieved for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, or that it will achieve any profit at all. The Company's operating results may also witness fluctuations due to various factors, some of which are beyond the Company's control. Such factors include intense competition in construction, operation and maintenance works in infrastructure projects for the water, transportation and urban development sectors. This may lead to the Company's loss of its market share or force the Company to reduce its financial bids in order to maintain or increase its market share. These factors also include the Company's inability to diversify its business and capitalize on the growth opportunities that may be available to it or that may be available in the sectors in which it operates. In addition, the Company's growth rates are likely to witness increased volatility due to economic turmoil, reduced Government spending, or a global pandemic. The Company may also experience periodic fluctuations in its revenues in the future due to the timing of certain large projects that the Company contracts to execute and other related factors. If any of the above risks were to occur, this would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.13 Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them

- **Dependence on Suppliers, Subcontractors and Service Providers**

The Company relies on third-party suppliers to secure the materials necessary to execute its projects, including building materials such as steel, rebar, cement, asphalt, wood, gravel and soil, as well as consumable materials such as oil, gasoline, diesel and safety equipment. The Company also relies on subcontractors for the supply and installation of certain equipment, such as pipelines, electrical construction devices, mechanical construction devices, tanks and pumps, as well as the execution of a range of construction services, such as welding, earthworks, dredging, excavation, milling, ground levelling, asphaltting, mining, and pipe laying works. The Company also deals with other external parties for the provision of certain services, such as engineering services (for further information regarding the Company's dealings with its suppliers and subcontractors, please refer to Section 11.6.3 (*The Company's Transactions with Subcontractors, Suppliers and Service Providers*) of this Prospectus).

The Company does not generally rely on exclusive suppliers, subcontractors or service providers, as most building materials, consumables, equipment and services are sourced from multiple parties. However, the Company, like other contracting companies, relies on the Saudi Iron and Steel Company (Hadeed) for the

supply of steel and rebar due to the latter's market share and the prices offered compared to its competitors in the market; the Saudi Arabian Oil Company (Saudi Aramco) for the supply of bitumen, as Saudi Aramco is the sole authorized supplier of untreated bitumen in the Kingdom; and East Pipes Integrated Company for Industry, Group Five Pipe Saudi, and Saudi Arabian Amiantit Company for the supply of pipe materials used in mechanical construction equipment, as they are the only suppliers of metal pipe materials in the Kingdom. The Company also relies on CH2M Saudi Ltd, ILF Consulting Engineers and Saudi Union Consulting Engineering Company, mainly due to the long-standing historical relationship with them and their services meeting the Company's expectations.

The Cost of Purchases from the Company's top four subcontractors represented 50.5%, 20.8%, 11.5% and 12.1% of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. Revenue generated from works performed or materials or equipment supplied under contracts concluded with suppliers or subcontractors accounted for 21%, 30%, 27.6% and 33.5% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. The Cost of Purchases from the Company's top four suppliers represented 12.1%, 13.2%, 12.5% and 23.7% of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. The Cost of Purchases from the Company's top service providers represented 1.6%, 3.3%, 1.3% and 1.6% of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

Despite the diverse network of suppliers, service providers and subcontractors with whom the Company currently deals, the Company may face risks in the future related to the continuity of its relationships with these suppliers, service providers or subcontractors for any reason, including economic or regulatory changes, political turmoil, natural disasters or similar force majeure circumstances. The Company may not be able to find a suitable replacement with the same level of qualification, quality and pricing, which will cause the Company to incur additional costs, whether as a result of delays in obtaining the required materials, products or services or as a result of obtaining them at relatively higher prices. Moreover, the Company may not be able to pass these costs on to its clients. The occurrence of any of the foregoing would have an adverse effect on the Company's business, financial position, results of operations and prospects.

• **Contractual Relationship with Suppliers, Subcontractors and Service Providers**

The Company's reliance on suppliers, service providers and subcontractors may also adversely affect it if any of them defaults or fails to comply with the agreed scope of work or required completion dates (for further information regarding risks related to the Company's reputation, please refer to Section 2.1.15 (*Risks Related to the Company's Reputation and the Quality of Services Provided*) of this Prospectus). Such failures could result in additional costs or financial penalties due to delays or the need to provide additional services to compensate. Such failures could also affect the Company's relationship with the project owner and the Company's overall reputation, as the Company's lack of direct responsibility for these breaches often do not absolve it from liability to the project owner for the entire scope of contracted work, including subcontracted portions (for further information regarding risks related to the Company's contracting mechanism and policy with suppliers, subcontractors and service providers, please refer to Section 2.1.14 (*Risks Related to the Company's Contracting Mechanism and Policy with Suppliers, Subcontractors and Service Providers*) of this Prospectus). Furthermore, the Company may not be able to claim compensation from the subcontractor for breach, or guarantee the outcome of such claim, regardless of the form of such claim (for further information regarding risks related to litigation, please refer to Section 2.1.40 (*Risks Related to Litigation and Arbitration*) of this Prospectus). The occurrence of any such risks would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

The Company is exposed to risks arising from contracts entered into with suppliers, subcontractors and service providers, as these contracts are based on preliminary assumptions, some of which may fall outside the Company's control, such as the nature of the project, delivery timelines, site readiness and the performance of suppliers, subcontractors and clients of their respective contractual obligations. Renegotiating with any of these parties may not be possible without incurring additional costs, which could materially and adversely affect the Company's business, financial position, results of operations and prospects.

A number of the Company's agreements with subcontractors and suppliers include provisions granting the counterparty the right to terminate the agreement without cause, in which case the Company is not entitled to claim payment for any remaining work. These agreements include the following:

- Agreements entered into under the Master Framework Agreement Template, which allow subcontractors to terminate the agreement by giving thirty days' prior notice, and which may consequently affect the Company's

business operations (for further details, please refer to Section 11.6.3.3.1 (*The Framework Agreement*) of this Prospectus).

A number of agreements are executed using templates prescribed by the contracting entity, under which the Company must either accept the contract in full without negotiation or decline it. These include:

- The agreement entered into with Saudi Aramco for the supply of bitumen, which is governed by Saudi Aramco's standard terms granting it the discretion to amend or terminate supply. This may expose the Company to risks of delays or interruptions in the provision of essential materials for its projects (for further details, please refer to Section 11.6.3.3.3(a) (*Saudi Aramco*) of this Prospectus).

In addition, a number of agreements with subcontractors and suppliers are governed by foreign laws, such as the laws of England and Wales; and disputes arising therefrom are to be resolved under the rules of foreign arbitration tribunals:

- The project to replace technologies and end-of-life assets of the Jubail station

The Company entered into a consortium agreement with one of the companies operating in the contracting sector and its subsidiary (the "**Contractor**") on 12/06/1446H (corresponding to 22/08/2024G) for the purpose of bidding on the project to replace technologies and end-of-life assets of the Jubail station, and the project was awarded to the Company. Thereafter, the Company entered into sub-agreements with that Contractor on 12/01/1447H (corresponding to 07/07/2025G) including a purchase agreement and a subcontract agreement, for the execution of design, supply and construction works for the project in consideration of a specified amount.

On 16/10/1447H (corresponding to 04/04/2026G), the Company terminated the subcontract agreement and the purchase agreement due to a contractual breach. The Company has also commenced the procedures stipulated in the consortium agreement to exclude that Contractor due to a contractual breach as well, with such exclusion being subject to contractual procedures that have not yet been completed as at 13/11/1447H (corresponding to 30/04/2026G). The exclusion will become binding upon the lapse of thirty (30) days from the date of the consortium steering committee's decision to exclude that Contractor, which was issued in 05/11/1447H (corresponding to 22/04/2026G), unless that Contractor initiates arbitration proceedings, which may in turn prolong these procedures.

The Company has commenced evaluating available alternatives for the execution of the scope of work, as the Company must execute the scope of work assigned to that Contractor, whether directly or through contracting with other parties. Although the Company has not identified any impact from the exclusion of that Contractor on the Company's obligations under the contract entered into with the project owner, there is no guarantee that the project timeline will not be affected or costs will remain unaffected, including as a result of factors that may be beyond the Company's control. Any of the foregoing may adversely affect the Company's business, financial position, results of operations, and future prospects.

Additionally, as a result, the Company may be exposed to financial claims or disputes from that Contractor relating to completed works, costs incurred, or loss of profit, and such potential disputes are subject to the laws of England and Wales, with any disputes arising out of or in connection therewith to be resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce which may involve legal complexities or extend the duration of litigation. The Company may also face claims from suppliers or contractors engaged by that Contractor. Should any of the foregoing occur, this may have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

• **Cost of Raw Materials and Price Fluctuations**

The prices of the aforementioned materials, products and services, particularly iron, copper and oil derivatives, are subject to fluctuations based on the prevailing prices in the local and global markets, which in turn are driven by the amount of supply and demand and other economic and political factors. All of these factors are beyond the Company's control and cannot be accurately predicted. If the prices of these materials, products, equipment or services increase, this will lead to an increase in the costs incurred by the Company, which will have an adverse effect on its business, financial position, results of operations and prospects.

2.1.14 Risks Related to the Company's Contracting Mechanism and Policy with Suppliers, Subcontractors and Service Providers

Most of the Company's dealings with suppliers, subcontractors and service providers were conducted through project-specific purchase orders and end after the supply of equipment or devices or execution of the relevant services or works, and the Company also transacted with subcontractors without documenting such transactions,

either fully or in part. It has generally been customary for the Company to issue a purchase order to govern its contractual relationship with the supplier, subcontractor or service provider. However, these purchase orders were broad and lack clarity, as they only included general provisions regarding payment mechanisms, delivery schedules, delay penalties, product or service warranties and warranty periods. They did not, for example, include detailed provisions addressing the required guarantees, the obligations of the supplier, contractor or service provider in relation to those guarantees, provisions on liability or other clauses typically found in comprehensive contracts. The Company has also entered into a number of transactions of this nature with Related Parties (for further information regarding the Company's transactions with Related Parties, please refer to Section 2.1.26 (*Risks Related to Related Party Transactions*) of this Prospectus).

For example, the Company has provided certain subcontractors whose subcontracted works required the use of heavy equipment, such as excavators, with the necessary equipment to complete their work based on undocumented understandings or agreements, or through purchase orders that did not clearly specify this arrangement. Under such arrangements, the Company purchases the equipment from the relevant suppliers and provides it to the subcontractors whose work requires it, and then transfer ownership of the equipment to the subcontractor after deducting and settling its purchase price from the amounts due to the relevant subcontractor. Failure to properly document previous dealings may weaken the Company's legal position to claim the value of the equipment or protect its rights under the Law of Evidence, which requires written documentation for all transactions exceeding SAR 100,000 or for transactions of unspecified value. Such risks may also arise if a subcontractor defaults on its work, if the equipment is damaged or stolen, or if third parties exploit the Company's lack of documentation to assert false claims or obtain undue payments. The occurrence of any of these events could have a material adverse effect on the Company's business, results of operations, financial position and prospects.

In general, the lack of clarity in the provisions of purchase orders issued by the Company may weaken its legal position to claim contractual rights. It may also damage the Company's commercial relationships with suppliers, subcontractors and service providers due to the ambiguous framework governing their contractual relations with the Company, which could negatively affect the Company (for further information regarding risks related to the Company's reliance on suppliers, subcontractors and service providers, please refer to Section 2.1.13 (*Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them*) of this Prospectus). It may also increase the likelihood of manipulation or embezzlement of the Company's dues. The occurrence of any of the above would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

In October 2024G, the Company developed a standardized template to regulate its dealings with suppliers, subcontractors and service providers, aiming to protect its rights and establish clear and specific obligations on the parties engaged to perform its works. The Company began implementing the template in December 2024G, with the first agreement based on this template signed on 5 December 2024G. The Company has applied this template to its new and material dealings starting from December 2024G and to all existing material dealings scheduled to conclude after Q1 of 2025G. Notwithstanding the above, there is no assurance that this template will be applied to all future dealings with third parties or that its detailed provisions will not negatively affect the prices and offers presented to the Company. This could impact the Company's future operations if suppliers, subcontractors and service providers refrain from contracting with the Company or increase their prices, especially as there is no guarantee that purchase orders can be issued in the future under the same value and terms to restore previous arrangements. The occurrence of any of these circumstances could have a material adverse effect on the Company's business, financial position, results of operations and prospects (for further information regarding the Company's dealings with subcontractors, suppliers and service providers, please refer to Section 11.6.3 (*The Company's Transactions with Subcontractors, Suppliers and Service Providers*)).

Historically, the Company lacked a clear and documented policy regulating the mechanism for contracting and dealing with subcontractors, suppliers and service providers. As such, the Company contracted with these parties through direct assignment without necessarily offering tenders or adhering to clear and defined criteria for the selection of subcontractors, suppliers and service providers. On 6 March 2024G, the Company adopted a clear and documented policy for dealing with subcontractors, suppliers and service providers that outlines several matters, including criteria for the selection and qualification of subcontractors, suppliers and service providers, as well as criteria and requirements that must be taken into consideration in evaluating bids submitted by subcontractors, suppliers or service providers. The Company has applied this policy since 1 June 2024G. However, there is no guarantee that there will be no issues with respect to previous dealings with subcontractors, suppliers and service providers that were not subject to the policy, or that there will be no future issues as a result of the recent implementation of the aforementioned policy or non-compliance therewith. These issues may include failure to obtain high-quality products and services at reasonable prices due to the selection of unqualified or inexperienced subcontractors, suppliers or service providers, which could increase the Company's operational costs, particularly if the Company needs to find a replacement. The occurrence of any of the above would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.15 Risks Related to the Company's Reputation and the Quality of Services Provided

Since its inception, the Company has sought to build a good reputation and enhance the value of its brand. The Company seeks to maintain its reputation and brand going forward by enhancing the quality of the services it provides to its clients. This is dependent on several factors, including executing and completing projects in accordance with the agreed technical specifications and timelines, and leveraging its accumulated expertise to execute such projects with the highest possible quality standards. Accordingly, the Company's inability to maintain the quality of the services it provides to clients will have a negative and material impact on its brand and reputation. Furthermore, the Company relies on certain suppliers, subcontractors and service providers to execute works and projects for its clients. Consequently, any default by the Company's suppliers or breach by its subcontractors of their obligations will have a material adverse effect on the Company's brand and reputation (for further information regarding the risks associated with reliance on suppliers and subcontractors, please refer to Section 2.1.13 (*Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them*) of this Prospectus).

The Company's inability to provide high-quality services may expose it to negative publicity, which may harm the Company's reputation. This may affect its chances of securing projects in the future, or in certain cases may expose it to claims and lawsuits. The occurrence of any such risks would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.16 Risks Related to Marketing Activities

The Company intends to implement several marketing programs to inform current and potential clients of its business services, and to strengthen its relationship with them. Marketing plans typically take a relatively long time to achieve their desired objectives, which could lead the Company to increase its spending in this area. However, there is no guarantee that such marketing programs will be successful or adequate. As a result, the Company may need to increase the size of these programs or replace them with other programs, which would lead to it incurring additional financial costs. The Company must also keep pace with the rapidly evolving media environment and advertising and marketing channels. If the costs allocated for marketing programs are insufficient in achieving the desired goals, or if the Company's marketing efforts are ineffective and do not keep pace with the current media environment, the Company's competitive position, reputation and market share may be affected. This may lead to a decrease in profits, which would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.17 Risks Related to the Participation of Certain Directors and Senior Executives in Business Competing with the Company's Business

Paragraph 2 of Article 27 of the Companies Law stipulates that Company Directors may not participate in any business that competes with the Company or any of its activities except with the authorization of the General Assembly or its designees. Paragraph 3 of Article 44 of the Corporate Governance Regulations requires directors of listed companies to inform the Ordinary General Assembly, when it is held, of the competing business undertaken by the Directors or Board Committee members, after the Board has verified that such Director or Committee member competes with the Company's business or activities, in accordance with criteria issued by the Company's General Assembly, based on the proposal of the Board. Such business must be verified on an annual basis. In preparation for the Offering, the Company's General Assembly approved the Company's Business Competition Criteria and Controls policy on 14/09/1445H (corresponding to 24/03/2024G), which provides that, for any business to be deemed competitive with the Company, it must include: (i) participation in an establishment that undertakes the same activities as those listed in the Company's Commercial Register; (ii) such establishment must be classified by the Ministry of Municipalities and Housing for similar or identical activities to those mentioned in the Company's classification certificate; and (iii) said establishment must be classified as a "large" establishment by the Ministry of Municipalities and Housing. As at the date of this Prospectus, none of the Company's Directors or Senior Executives engage in any activities that compete with the Company as per the Company's Business Competition Criteria and Controls policy. Although several Directors hold a controlling interest in a company engaged in financing infrastructure projects, and one Director holds a controlling interest in a company that contracts with its clients as a subcontractor, these activities are not considered competitive with the Company's business under the Company's Business Competition Criteria and Controls policy. For instance, one of the companies did not satisfy the third condition noted above, whereas another company did not satisfy the second and third conditions (for further details regarding the adopted criteria and controls for businesses considered competitive with the Company's business, please refer to Section 5.9.3 (*Competing Business*)). Although these companies are not currently considered competitive with the Company's business, there is no assurance that they will not compete with the Company in the future, whether due to a change in the Company's strategy to pursue smaller projects or a change in the classification or scope of business of those companies that would make them competitive with the Company.

Directors may also participate in the future in other activities that compete with the Company, either through their membership in the boards of directors of competing companies or through undertaking works that fall within the framework of the Company's business (or by owning shares or stocks in competing companies), whether directly or indirectly. Certain Directors and Senior Executives may also exploit their positions to access the Company's internal information, or they may exploit such information for their own interests or in a way that conflicts with the Company's interests and objectives. If Directors or Senior Executives with interests conflicting with those of the Company have a negative impact on the Company's decisions, or if they use the information available to them regarding the Company in a way that harms its interests, this will have an adverse effect on the Company's business, financial position, results of operations and prospects.

As at the date of this Prospectus, none of the Directors or Senior Executives has been a party to any agreement, arrangement or understanding under which they are subject to any obligation preventing them from competing with the Company or any similar obligation in relation to the Company's business. However, the participation of Directors in business competitive with that of the Company (as per the definitions stipulated in the Company's Business Competition Criteria and Controls policy) is subject to authorization from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

2.1.18 Risks Related to the Ability of the Company's Infrastructure or Internal Systems to Adequately Support its Planned Growth and Strategy

The Company uses a large number of information technology systems to manage its business, including systems for engineering studies, construction, operation and maintenance work, supervision and administrative work such as accounting, finance and other work.

The Company recently adopted an updated version of its enterprise resource planning (ERP) system integrated with Microsoft Dynamics 365, offering additional features designed to enhance the efficient management of the Company's core operations and functions. The Company may incur additional costs and significant operational burdens for updating its information technology systems and networks, or for adopting additional measures to protect its data or information technology systems, whether as a result of expansion, upgrades, or the Company's statutory or contractual obligations. Electronically stored information technology systems can be susceptible to viruses, hacking, cybercrime and other similar disruptions resulting from unauthorized access, which could lead to the loss of important data or even the disruption of the Company's business. Additionally, in order to be able to manage its growth effectively, the Company must continuously improve and develop its systems, procedures and capabilities; attract, train and retain specialized employees; and respond in a timely manner to the imposed demands of its planned growth and strategy. Failure to meet these demands could lead the Company to operate its business less effectively, which in turn may result in a decline in its financial performance. This would have an adverse effect on the Company's business, financial position, results of operations and prospects.

The Company relies heavily on information technology systems to manage its business. The operation of information technology systems involves internal and external risks, including malware, technical and software malfunctions, failure of protection systems, penetration of Company systems, electronic viruses, leakage of confidential data and information of the Company, its clients or employees, and the unavailability of required updates or amendments. The Company's systems may also be subject to disruption due to unexpected force majeure events or power or internet outages. On the other hand, the Company's business may be adversely affected by the loss or leakage of the Company's or its clients' data due to malfunctions or errors by the Company or by an external entity with whom the Company deals. In addition, the costs and operational burdens of implementing further updates to the Company's information technology systems and networks, data protection measures, or systems, whether due to expansion, upgrades, new technology, new or changing regulatory requirements, or the like, could be significant. The management, operation and maintenance of information technology systems also requires the availability of qualified human resources to carry out these tasks with high efficiency. The Company cannot guarantee its continued ability to attract the necessary human resources. The occurrence of such risks would affect the Company's ability to manage its business, attract new clients and maintain its current clients, which will have a material adverse effect on the Company's business, financial position and financial and operating results.

Moreover, software providers have recently increased the level of oversight over clients' use of their software to ensure that clients comply with license terms, pay fees for software users, and that such fees match the number of software users. Accordingly, the Company's failure to obtain a number of software licenses commensurate with the number of actual users or its failure to adhere to the terms and conditions of the software it is licensed to use may expose it to lawsuits and claims from the providers of such software or may allow software providers to terminate their contracts with the Company, which could force the Company to incur costs in order to rectify its situation. This would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.19 Risks Related to the Company's Reliance on Leased Properties

The Company utilizes 65 leased properties to carry out its direct or ancillary business (whether for residential purposes to accommodate the Company's employees or for commercial purposes to store materials, products and equipment) (for further details, please refer to Section 11.11 (*Lease Agreements*) of this Prospectus). Since the lease agreements are for fixed terms which are renewed upon agreement of the parties, the owners of these properties may have the right to increase the rental value upon the renewal of such contracts. This would cause the Company to incur additional unforeseen obligations (whether directly related to the rental value or resulting therefrom, such as obligations resulting from an increase in the cost of transporting the Company's employees, materials and products or any temporary loss of revenue), which in turn would adversely affect the Company's business, financial position, results of operations and prospects. The foregoing also applies if the contract cannot be renewed for any reason, or the Company must vacate the leased property for any reason. In such cases, the Company would be forced to search for alternative sites which could be more expensive than its current locations or may be available on terms less favorable to the Company than its current leases. There is no guarantee that the Company will be able to find suitable alternative locations in the targeted geographical areas. If any of the aforementioned risks were to occur, this would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

Although all of the Company's current lease agreements are registered through the Ejar platform, it has previously used properties under lease agreements that were not registered through the platform. Pursuant to Resolution No. 292 of the Council of Ministers, dated 16/05/1438H (corresponding to 13/02/2017G) and the Circular of the Minister of Justice dated 04/05/1440H (corresponding to 10/01/2019G), lease agreements not registered through the Ejar platform are considered legally invalid and do not produce any administrative or judicial effects. Therefore, failure to register lease agreements through the Ejar platform in accordance with the aforementioned Council of Ministers' Resolution may result in the dismissal of any dispute arising from an unregistered contract by the competent courts. This would negatively impact the Company's rights to request lessors to fulfil their legal obligations arising from such contracts. Furthermore, it could also pose a risk to the Company due to the possibility of the lessor withdrawing the leased property from the Company or failing to comply with the material terms of the contract in the absence of clear judicial oversight and protection due to the non-registration of the contract in the required legal form, which may hinder or prevent the Company's freedom to benefit from the leased property. In addition to the foregoing, failure to register lease agreements through the Ejar platform may limit the Company's ability to obtain the necessary regulatory licenses from the competent authorities, which require the existence of a registered lease contract through the Ejar platform as a licensing condition. This includes the commercial license issued by the Ministry of Municipalities and Housing. Accordingly, any future failure to register lease agreements through Ejar platform could lead to the Company facing difficulties in enforcing its rights under such contracts or obtaining the necessary regulatory licenses, which may have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.20 Risks Related to Credit Facilities and Guarantees

Existing Credit Facilities and Guarantees Provided by Certain Shareholders and the Company

Many of the Company's contracts with its clients require the provision of bank guarantees (also known as bid bonds) at various stages of the project, ranging from 1% to 25% of the contract value or financial proposal (for further information regarding the bank guarantees provided by the Company to conduct its business, please refer to Section 2.1.24 (*Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business*) of this Prospectus). The Company may also provide letters of credit to suppliers of materials used in the Company's projects. Clients and contractors often require the bank guarantee to be irrevocable and for a specified amount and period, and that such guarantee is not conditional or contingent on a specific event. To issue these guarantees and letters of credit, the Company is required to enter into agreements that govern the process of issuing bank guarantees and letters of credit.

As at 13/11/1447H (corresponding to 30/04/2026G), the Company has concluded nine different credit facility agreements with the following: Riyadh Bank for a total amount of SAR 690,296,000; Alinma Bank for SAR 1,000,000,000; Banque Saudi Fransi for SAR 188,838,149; Saudi Investment Bank for SAR 1,000,000,000; Bank Albilad for SAR 2,120,000,000; Alrajhi Bank for SAR 1,000,000,000; SAB for SAR 1,000,000,000; SNB for SAR 2,760,646,196.70 and ANB for SAR 1,000,000,000. These facilities were obtained for various purposes, including financing the issuance of advance payment guarantees, performance guarantees and other direct credits for issuing letters of credit. However, the Company has not utilized any of the cash facilities available under these agreements since its incorporation (for further information, please refer to Section 11.8 (*Credit Facility Agreements*) of this Prospectus).

The aforementioned agreements include a number of obligations on the part of the Company. They also outline several cases that could constitute a breach of the provisions of those agreements, such as bankruptcy, financial reorganization, restructuring, failure to comply with the guarantees, undertakings or representations provided by the Company, or the discovery of their invalidity. In addition, some of the agreements referred to above include obligations on the Company regarding its assignment of the receivables arising from its execution of the relevant projects. The occurrence of any of these circumstances or even a mere breach by the Company of its general obligations under these agreements could trigger the right of the financing banks to terminate the credit facility agreement and demand payment of all due amounts. This would have an adverse effect on the Company's business, financial position, results of operations and prospects.

The above-mentioned agreements are also secured by financial guarantees issued by certain Shareholders of the Company, the Company itself, and promissory notes provided by the Company or other guarantees. The following table shows the details of the financial guarantees provided by certain Shareholders of the Company and the Company:

Table 2.3: Details of Financial Guarantees Provided by Some of the Company's Shareholders and Promissory Notes Provided by the Company

Credit Facility Agreement	Related Financial Guarantees and Promissory Notes
Credit facility agreement with Riyadh Bank	A personal guarantee provided jointly by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi to guarantee the Company's obligations arising from the agreement. As at 13/11/1447H (corresponding to 30/04/2026G), the total value of the facilities provided under the agreement is SAR 690,296,000.
Credit facility agreement with Alinma Bank	A promissory note provided by the Company in the amount of SAR 1,000,000,000. A further promissory note provided by the Company in the amount of SAR 100,000,000. A personal guarantee provided jointly by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Damouk Tarrad Mutlaq Al-Ghowairi with a maximum limit of SAR 1,000,000,000 to guarantee the Company's obligations arising from the agreement.
Credit facility agreement with Banque Saudi Fransi	A Promissory note provided by the Company in the amount of SAR 188,838,149, guaranteed jointly by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi to cover the Company's entire obligations under the facility agreement. Personal guarantee provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi in the amount of SAR 188,838,149 to cover the Company's entire obligations under the facility agreement. Personal guarantee provided by Terad Damouk Mutlaq Al-Ghowairi in the amount of SAR 188,838,149 to cover the Company's entire obligations under the facility agreement.
Credit facility agreement with Saudi Investment Bank	A promissory note provided by the Company in the amount of SAR 1,000,000,000. Personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Mohamed Damouk Al-Ghowairi to guarantee the Company's obligations arising from the agreement. As at 13/11/1447H (corresponding to 30/04/2026G), the total value of the facilities provided under the agreement is SAR 1,000,000,000.
Credit facility agreement with Bank Albilad	A promissory note provided by the Company in the amount of SAR 2,120,000,000. Personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi to guarantee the Company's obligations arising from the agreement and other related obligations. As at 13/11/1447H (corresponding to 30/04/2026G), the total value of the facilities provided under the agreement is SAR 2,120,000,000.
Credit facility agreement with Alrajhi Bank	Personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi to guarantee the Company's obligations arising from the agreement. As at 13/11/1447H (corresponding to 30/04/2026G), the total value of the facilities provided under the agreement is SAR 1,000,000,000.
Credit facility agreement with SAB	A promissory note provided by the Company in the amount of SAR 1,000,000,000.
Credit facility agreement with SNB	A personal guarantee provided jointly by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi in the amount of SAR 2,760,646,196.70 to cover the full facility limits.
Credit facility agreement with ANB	A promissory note provided by the Company in the amount of SAR 1,000,000,000.

Source: The Company

The Company has received written approvals from Riyadh Bank, Alinma Bank, Banque Saudi Fransi, Saudi Investment Bank, Bank Albilad, Alrajhi Bank, SAB, SNB and ANB for the Company's requests related to approval of the Offering, change of the Company's ownership and legal form and cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi, and where applicable, Mutlaq Mohamed Damouk Al-Ghowairi, upon listing of the Company's Shares on the Saudi Exchange.

Future Financing

In the future, the Company may need to obtain financing from commercial banks, Government lenders or other financiers to cover working capital requirements or implement future growth plans (for further information regarding working capital and liquidity requirements, please refer to Section 2.1.22 (*Risks Related to Managing and Determining Working Capital and Liquidity Requirements*) of this Prospectus). The Company's ability to obtain loans and facilities from lenders at a reasonable cost and on commercially acceptable terms depends on its financial condition, creditworthiness, the general economic climate, the state of the financial markets, commission rates and the availability of credit from lenders. The Company may not be able to obtain sufficient or adequate financing in the future to finance its growth and implement its expansion plans, or lenders may impose certain conditions and commitments which would have an adverse effect on the Company's business, financial position, results of operations and prospects. The Company's future financing arrangements are subject to several factors beyond the Company's control, such as interest rates and Government, monetary and tax policies, as well as local and global economic and political conditions. The occurrence of any of these factors in a negative manner (such as increases in interest rates by lenders) could lead to an increase in financing and interest costs to the extent that it may lead to a decrease in the Company's cash flows and thus adversely affect the Company's business, financial position, results of operations and prospects.

2.1.21 Risks Related to Future Capital Expenditures

The Company's capital expenditures (which represent additions to property and equipment) amounted to SAR 126.8 million, SAR 54.8 million, SAR 29.3 million and SAR 48.0 million for the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively, representing 5.5%, 1.7%, 0.9% and 3.2% of the Company's contracts revenue for the year ended 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. The Company's capital expenditures may increase as a result of a number of factors, including, for example, costs related to the Company's planned growth and strategy (for further information regarding the Company's planned growth and strategy, please refer to Section 4.2 (*Vision, Mission, Values and Strategy*) of this Prospectus). Any increase in the Company's future capital expenditures could lead to a decrease its profit margin, a reduction in funds available for operation of its current projects, and an increase the Company's operating expenses, which would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.22 Risks Related to Managing and Determining Working Capital and Liquidity Requirements

Similar to other companies that undertake construction, operation and maintenance projects related to infrastructure, the Company requires relatively large working capital. The Company is exposed to liquidity risks arising from the potential unavailability of sufficient financial resources to meet its obligations when due or from an increase in its liquidity requirements.

The Company manages its liquidity risks and seeks to mitigate them through various measures, including maintaining sufficient working capital by aligning current assets (those due within one year or less) with current liabilities (those due within the same period), thereby ensuring adequate cash flows to cover its obligations and operating expenses. The Company's liquidity ratio (current assets divided by current liabilities) amounted to 1.8x, 4.2x, 4.6x and 4.5x for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. The increase in the Company's liquidity ratio was driven by higher receivables resulting from the growth in business volume, which increased current assets, and by the Company's timely settlement of payments, which reduced current liabilities. The Company's cash ratio, calculated as cash and cash equivalents divided by current liabilities, stood at 0.2x, 0.3x, 0.3x and 0.2x for the financial years ended 31 December 2022G, 2023G and 2024G, and for the six-month period ended 30 June 2025G, respectively. Accordingly, any decrease in the Company's liquidity could have a material adverse effect on its business, financial position, results of operations and prospects.

When estimating working capital requirements, the Company applies methodologies based on historical and other objective information, including data from its ERP systems and interim quarterly financial statements. However, such estimates also rely on management's judgment based on assessment of available data. The Company also continuously seeks to enhance its mechanisms for estimating working capital requirements, including the upgrade of its ERP system at the beginning of 2024G, to strengthen business governance and improve resource management. However, the Company does not guarantee that issues will not arise from deficiencies in the methodologies used to estimate working capital requirements. Accordingly, any incorrect estimation of the Company's working capital requirements could have an adverse effect on its business, financial position, results of operations and prospects.

In general, the Company's working capital management depends on various factors, including the prudence of the provisions it establishes. The Company determines its credit provisions at the beginning of each financial year and may subsequently adjust them based on risk management analyses. The Company also deducts from these provisions the receivables that are written off (for further information regarding risks related to delays in collecting the Company's receivables, please refer to Section 2.1.25 (*Risks Related to Credit and Doubtful Debts*) of this Prospectus). Therefore, the Company's inability to manage contract receivables, contract assets and trade payables, or to maintain sufficient liquidity, could have a material adverse effect on its revenue, profitability, cash flows, results of operations, financial position and prospects.

The financing and management of the Company's working capital is also substantially dependent on clients settling the Company's receivables on time (for further details regarding the risks of delays in collecting the Company's receivables, please refer to Section 2.1.2 (*Risks Related to Contracting with Public Sector and Semi-Governmental Clients*) of this Prospectus). The failure of the Company's clients to settle dues on time may limit the Company's ability to manage its working capital, which may force it to resort to credit facilities and thus increase financing costs, which would have a material adverse effect on the Company's revenue, profitability, cash flows, results of operations, financial position and prospects.

The Company's ability to obtain financing is also a key factor in managing its working capital. Historically, the Company relied on short-term borrowings from its Shareholders to meet working capital requirements, all of which were settled in September 2024G. The Company currently finances its operations through cash flows generated from operating activities. Although the Company has access to facilities under agreements with commercial banks totaling approximately SAR 10.8 billion as at 31 December 2025G, demonstrating its creditworthiness with these institutions, and has not drawn down any of these facilities since its incorporation until the date of this Prospectus, there is no assurance that the Company will be able to secure financing on favorable commercial terms in the future. Any such limitation could restrict the Company's ability to manage working capital, which would have a material adverse effect on its revenue, profitability, cash flows, results of operations, financial position and prospects (for further information regarding these facilities, please refer to Section 2.1.20 (*Risks Related to Credit Facilities and Guarantees*) of this Prospectus).

2.1.23 Risks Related to Maintaining and Servicing the Company's Movable Assets

The Company incurs capital expenditures in order to maintain its movable assets (including equipment, machinery, tool and vehicles) and to repair and replace them at the end of their lifespan. The Company's construction equipment, such as excavators, bulldozers, cranes and trucks, totaled 1,493 units. As at 13/11/1447H (corresponding to 30/04/2026G), the average monthly cost of periodic maintenance for movable assets is SAR 608,743. As at 30 June 2025G, accumulated depreciation amounted to SAR 158.2 million for equipment and machinery, SAR 110.0 million for vehicles and SAR 16.7 million for tools. It is expected that the Company will incur additional capital expenditures to maintain and repair these equipment, machinery, vehicles and tools, or replace them with other equipment, tools, vehicles and machinery. In accordance with the Company's accounting policies, equipment, machinery, vehicles and tools are depreciated at the end of the useful life of such assets, which is estimated at between three and 15 years. The Company cannot guarantee that it will not need to replace its equipment, machinery, vehicles and tools earlier than their estimated useful lives in accordance with the asset depreciation policy.

Accordingly, the Company must continuously assess the efficiency of the planned capital expenditures for the maintenance and operation of these assets in the future, while also identifying the replacement requirements for existing assets. If the Company is unable to provide the necessary capital expenditures to repair and maintain its equipment, machinery, vehicles and tools, or if it is unable to find suitable replacements at reasonable prices, this may affect the Company's ability to provide the equipment, machinery, vehicles and tools necessary for execution of its projects, which in turn would affect the Company's business, financial position, results of operations and prospects.

2.1.24 Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business

Contracting requirements in infrastructure projects generally include the provision of multiple guarantees that vary depending on the terms of the contract and the contracting entity. However, these guarantees could include the following:

- **Bid bond:** A bank guarantee issued by the contractor upon participation in a tender for the benefit of the project owner at a rate ranging from 1% to 2% of the value of the contractor's financial proposal. The purpose of bid bonds is to guarantee the contractor's seriousness and ensure the adequacy of its financial position.

Bid bonds are released to the Company upon submission of a final guarantee or performance guarantee (as the case may be), or if the project is not awarded to the Company;

- **Final guarantee or performance guarantee:** A bank guarantee issued by the contractor upon award of the tender and presented in favor of the project owner prior to conclusion of the contract. This guarantee is released when the Company fulfills its obligations upon final delivery of the project. The guarantee is normally released after the final delivery of the project and the relevant client's acceptance of the works carried out by the Company, which usually occurs one year after the final delivery date for projects belonging to Government entities. The purpose of final guarantees and performance guarantees is to ensure that the project is executed according to the specifications and within the period agreed upon between the parties. The value of the final guarantee or performance guarantee is a specific amount or percentage of the total contract value. Usually, this constitutes 5% of the contract value, but it may be higher based on client requirements and the agreement of the parties. For example, the value of each performance guarantee provided by the Company under its ongoing contracts with Client 1 amounted to 10% of the value of such contracts, while the value of the performance guarantee provided by the Company under its ongoing contract with Client 3 amounted to 25% of the contract value;
- **Advance payment guarantee:** In cases where the project owner provides an advance payment to the contractor, the contractor is obligated, as per the terms of the contract, to provide a bank guarantee in favor of the project owner. This guarantee covers the value of the advance payment and is provided during the period between contract signing and disbursement of the first progress payment by the project owner. The advance payment typically constitutes a percentage of the total contract value that does not usually exceed 10% of the total contract value. This percentage is deducted from each subsequent progress payment until the full amount of the advance payment is recovered. Once the advance payment fully recouped, the guarantee is released. The purpose of advance payment guarantees is to guarantee recovery of the advance payment in accordance with the terms agreed upon in the contract concluded between the Company and the project owner; and/or
- **Letters of credit to suppliers of materials used in the Company's projects.**

The value of bank guarantees and letters of credit issued by the Company to guarantee the implementation of its obligations under the contracts concluded with its clients and suppliers amounted to SAR 2,413 million, SAR 3,463 million, and SAR 4,165.9 million as at 31 December 2023G and 2024G and 30 June 2025G, respectively. The Company discloses guarantee amounts as contingent liabilities in its financial statements. The Company's contingent liabilities amounted to SAR 2,084 million, SAR 2,413 million, SAR 3,463 million and SAR 4,165.9 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. Although the Company has complied with the terms of these contracts and has not utilized any guarantees issued by it up to the date of this Prospectus, there is no assurance that the Company will not breach any of these contracts, including for reasons beyond its control, which could lead to the utilization of some or all of the guarantees it has provided. This could have an adverse effect on the Company's business, financial position, results of operations and prospects. Moreover, the Company does not guarantee its continued ability to obtain the required guarantees or letters of credit from banks. This could adversely affect the Company's ability to receive new projects, which in turn would have an adverse effect on the Company's business, financial position, results of operations and prospects (for further details regarding risks related to credit facilities and guarantees, please refer to Section 2.1.20 (*Risks Related to Credit Facilities and Guarantees*) of this Prospectus).

2.1.25 Risks Related to Credit and Doubtful Debts

The Company's net receivables from contracts amounted to SAR 749.5 million, SAR 758.1 million, SAR 998.7 million and SAR 1,122.7 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. The Company's net receivables from contracts include the following:

- issued receivables, which represent contract receivables corresponding to the Company's unconditional right to consideration on a set date. Issued receivables amounted to SAR 825.1 million, SAR 666.0 million, SAR 804.3 million and SAR 931.6 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. These balances were offset by allowances for expected credit losses of SAR 85.9 million, SAR 22.2 million, SAR 48.5 million and SAR 41.8 million as at the same dates, representing 10.4%, 3.3%, 6.0% and 4.5% of the total issued receivables, respectively; and
- retained receivables, which represent amounts withheld by clients until completion of works or expiry of the term. Retained receivables balances amounted to SAR 10.2 million, SAR 114.3 million, SAR 242.9 million and SAR 235.1 million as at 31 December 2022G, 2023G, 2024G and 30 June 2025G, respectively. These withheld receivables represent 10% of the total project value and are typically settled by the relevant clients one year after project handover.

The Company's contract receivables increased from SAR 749.5 million as at 31 December 2022G to SAR 1,122.7 million as at 30 June 2025G, primarily due to the rise in retained receivables from SAR 10.2 million to SAR 235.1 million as at 30 June 2025G. This increase reflects higher completion rates for ongoing projects and growth in the number and value of projects subject to a 10% retention of the contract value. This increase was accompanied by a rise in issued receivables from SAR 825.1 million as at 31 December 2022G to SAR 931.6 million as at 30 June 2025G, driven by a higher percentage of invoicing. The table below presents the receivables arising from concluded contracts by client type as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively.

Table 2.4: Issued Receivables by Client Type

SAR Million	As at			
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G
Public Sector and Semi-Governmental Clients	78.0%	94.9%	99.4%	98.5%
Private Sector	22.0%	5.1%	0.6%	1.5%
Total	100%	100%	100%	100%

Source: The Company

In general, an increase in client default rates could reduce the Company's profitability or limit its ability to secure the financing required for its operations. The Company classifies contract receivables that are not yet due, or that are due but have not exceeded 90 days past their due date, as current. Current contract receivables amounted to SAR 472.4 million, SAR 516.6 million, SAR 503.7 million and SAR 618.7 million, representing 57.3%, 77.6%, 62.6% and 66.4% of the Company's total contract receivables as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. Receivables past due for over 90 days are classified as delinquent. Accordingly, any amount due from a client that remains unpaid for 90 days after its due date is treated as delinquent. Delinquent receivables amounted to SAR 352.7 million, SAR 149.4 million, SAR 300.5 million and SAR 313 million, representing 42.7%, 22.4%, 37.4% and 33.6% of the Company's issued receivables as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively.

The Company recorded amounts outstanding for over one year totaling SAR 176.5 million, SAR 63.9 million, SAR 47.3 million and SAR 140.9 million, representing 21.4%, 9.6%, 5.9% and 15.1% of the Company's issued receivables as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. The table sets out the aging of receivables as at 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 2.5: Aging of Receivables

Aging	As at 31 December 2022G			As at 31 December 2023G			As at 31 December 2024G			As at 30 June 2025G		
	SAR Million			SAR Million			SAR Million			SAR Million		
	Expected Credit Loss Rate	Value of Contract Receivables	Expected Credit Loss	Expected Credit Loss Rate	Value of Contract Receivables	Expected Credit Loss	Expected Credit Loss Rate	Value of Contract Receivables	Expected Credit Loss	Expected Credit Loss Rate	Value of Contract Receivables	Expected Credit Loss
Not due	3.3%	189.5	6.2	1.5%	345.1	5.1	1.6%	118.6	1.9	1.0%	354.9	3.5
0-90 days	5.1%	282.9	14.3	2.9%	171.5	5.0	3.7%	385.1	14.1	2.5%	263.8	6.7
91-180 days	7.6%	67.2	5.1	5.1%	52.6	2.7	7.3%	63.6	4.6	5.8%	143.4	8.3
181-270 days	12.0%	94.4	11.3	6.8%	1.7	0.1	8.7%	109.8	9.5	8.8%	18.6	1.6
271-365 days	19.7%	14.6	2.9	9.8%	31.2	3.0	14.4%	79.8	11.5	14.3%	10.1	1.4
More than 365 days	26.1%	176.5	46.0	9.8%	63.9	6.3	14.6%	47.3	6.9	14.4%	140.9	20.3
Total		825.1	85.9		666.0	22.2		804.3	48.5		931.6	41.8

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, and the Company.

To mitigate the impact of expected credit losses, the Company recognizes provisions in accordance with IFRS 9. The Company applies the simplified approach to measuring expected credit losses, under which the loss allowance is determined based on the lifetime expected losses of its contract receivables. The Company determines these provisions at the beginning of each financial year and may subsequently adjust them in accordance with the requirements of the aforementioned standard. Amounts written off during the financial period are deducted from these provisions. The table below sets out the movement in the ECL Allowance as at and for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 2.6: ECL Allowance

SAR Million	As at and for the Financial Year Ended 31 December			As at and for the Six-Month Period Ended	Percentage of Change		
	2022G (Audited)	2023G (Audited)	2024G (Audited)	30 June 2025G (Unaudited)	2022G - 2023G	2023G - 2024G	December 2024G-June 2025G
At 1 January	89.8	85.9	22.2	48.5	(4.3%)	(74.2%)	118.5%
(Reversal)/charge for the year/period	(3.9)	(63.6)	34.8	(4.4)	1,530.8%	(154.7%)	(112.6%)
Write-off	-	-	(8.6)	-	N/A	N/A	(100.0%)
At the end of the year/period	85.9	22.2	48.5	44.1	(74.2%)	118.5%	(9.1%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The Company considers the ECL allowance sufficient to cover aged or doubtful receivables. However, the estimated provisions may not fully cover actual losses incurred, particularly if client defaults increase or if economic or political developments occur that could negatively affect the accuracy of the Company's provisioning estimates. Therefore, these provisions may not offset the losses incurred by the Company if actual losses exceed expectations, which could have a material adverse effect on the Company's business, financial position, results of operations and prospects. When the amount to be written off exceeds the related provision, the excess is recorded in the Company's financial statements under the provision for expected credit losses and recognized as an expense.

Accordingly, any increase in client default rates or receivable write-offs could have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.26 Risks Related to Related Party Transactions

Transactions conducted with related parties are recognized and recorded in the consolidated financial statements in accordance with IFRS as endorsed in the Kingdom. As disclosed in the Company's financial statements, the nature of these related party transactions includes: (1) paid dividends, (2) construction works, (3) settlements, (4) payments made on behalf of the Company for land purchases, (5) transferred funds, (6) IPO expenses, (7) dividends settled against outstanding balances, (8) salaries and other short-term benefits, and (9) employee benefit obligations.

The Company's related parties, as per the accounting standards administered in the Kingdom, are the Company's Shareholders, Board members, affiliates, and upper management. The following are the key transactions entered into by the Company with such related parties as per the Company's financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the Company's unaudited condensed interim financial information for the six-months period ended 30 June 2025G:

- transactions with Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Terad Damouk Mutlaq Al-Ghowairi and the heirs of Mohamed Damouk Mutlaq Al-Ghowairi, and these are primarily related to: dividend distributions made by the Company; payments made on behalf of the Company to purchase land; amounts transferred by such related parties to the Company for the purposes of funding the Company's working capital; and amounts paid by the Company to those related parties to set-off amounts previously provided by those persons to the Company;
- transactions with Badr Mutlaq Alotaibi Establishment for Contracting, Transmission Lines Trading and Contracting Company and Al-Ghowairi National Company, and these are primarily related to costs incurred by the Company to procure equipment, materials, and employees (such as subcontractors) to execute its projects; and

- transactions with upper management (i.e. Board members and Senior Executives), and these are primarily related to salaries, short-term benefits and employee benefit obligations.

For further details regarding related party transactions under IFRS, please refer to Section 6 (*Management Discussion and Analysis of Financial Position and Results of Operations*).

Amounts due from related parties amounted to SAR 3.1 million, SAR 0.3 million, SAR 16.0 million and SAR 16.0 million for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively, representing 0.18%, 0.01%, 0.51% and 0.46% of the Company's total current assets during the same periods. Amounts due to related parties amounted to SAR 314.9 million, SAR 29.7 million, SAR 9.0 million and SAR 55.8 million for the same periods, respectively, representing 33.72%, 5.81%, 1.32% and 7.29% of the Company's total current liabilities during the same periods.

Costs arising from transactions with related parties – which represents the total expenses or costs incurred by the Company as a result of commercial or financial transactions with related parties in the course of the Company's operational activities - amounted to SAR 48.8 million, SAR 158.4 million, SAR 172.0 million and SAR 126.1 million for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, representing 3.1%, 8.9%, 9.3% and 12.5% of the Company's contracts cost for the same periods, respectively. As at 13/11/1447H (corresponding to 30/04/2026G), the Company has 20 agreements and contracts with related parties, all of which were concluded on an arm's length and commercial basis. These include one subcontracting agreement with Transmission Lines Trading and Contracting Company (owned and managed by the sons of Chairman Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi), and lease agreements with related parties, including three contracts with Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi (the Chairman), ten contracts with Terad Damouk Mutlaq Al-Ghowairi (the Vice Chairman), one contract with Neuer Madkhal Zaid Al-Ghowairi (the mother of Chairman Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Vice Chairman Terad Damouk Mutlaq Al-Ghowairi), four contracts with Afaq Alfikr AlAhlyyah Company (owned and managed by Vice Chairman Terad Damouk Mutlaq Al-Ghowairi), and one contract with Stream Water Transmission Company (as this company is controlled by an Affiliate of the Company) (for further information regarding the Company's related party transactions, please refer to Section 11.7 (*Related Party Transactions*) of this Prospectus). The Company has obtained all of the required approvals for the aforementioned agreements, which constitute related party transactions in which certain Directors have a direct or indirect interest. Approvals were granted by the Board of Directors on 27/10/1445H (corresponding to 06/05/2024G) and 07/12/1445H (corresponding to 13/06/2024G) pursuant to the authorization issued by the Ordinary General Assembly on 05/10/1445H (corresponding to 14/04/2024G), and by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G), 23/03/1447H (corresponding to 15/09/2025G) and 29/04/1447H (corresponding to 21/10/2025G), 29/05/1447H (corresponding to 20/11/2025G), and 12/08/1447H (corresponding to 31/01/2026G) pursuant to the authorization issued by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G). The Company also obtained approvals from the General Assembly on 05/10/1445H (corresponding to 14/04/2024G), 05/05/1446H (corresponding to 07/11/2024G), 27/06/1446H (corresponding to 28/12/2024G), 27/08/1446H (corresponding to 26/02/2025G) and 06/11/1446H (corresponding to 04/05/2025G), as well as approval from the Board of Directors on 12/02/1447H (corresponding to 06/08/2025G) and from the General Assembly on 13/02/1447H (corresponding to 07/08/2025G).

With respect to terminated (non-ongoing) transactions with related parties during the periods covered by the application, it should be noted that such transactions included payments made on behalf of shareholders and members of the Board of Directors to third parties on a non-commercial basis. All such payments were either fully reimbursed to the Company or offset against the entitlements and rights of such shareholders. Since mid-2023, the Company has not made any payments on behalf of shareholders or members of the Board of Directors. These terminated (non-ongoing) transactions also included the secondment of certain employees registered under the Company for the benefit of certain shareholders, as further described below. On 31 March 2024, the Company terminated all such arrangements and transferred the services of thirty-seven (37) employees - representing 0.99% of the Company's total workforce as at 27 December 2024, and registered them under the sponsorship of such shareholders and their affiliates. The aggregate value of the amounts paid by the Company on behalf of shareholders, members of the Board of Directors, and other related parties, as well as the value of the secondment of certain of the Company's employees for the benefit of such persons, amounted to SAR 13.1 million, SAR 29.0 million, SAR 2.4 million, and SAR 0 million, representing approximately 0.6%, 0.9%, 0.1%, and 0.0% of the Company's contract revenues as at 31 December 2022, 31 December 2023, 31 December 2024, and 30 June 2025, respectively. These terminated (non-ongoing) transactions also included transactions with related-party subcontractors, as further described below. As the Company previously did not have a clear and documented policy governing the contracting and dealings with subcontractors, suppliers, and service providers, the direct contracting previously undertaken with subcontractors, including related parties, may not have been in the best interest of the Company in all cases. In March 2024, the Company has addressed this matter by adopting a policy for dealing with subcontractors, suppliers, and service providers which includes specific criteria to ensure that contracting is

conducted on a commercial basis. Following the cessation of such transactions as at the dates referred to above, the Company has not engaged in any transactions or contracts with related parties other than on a commercial basis, including its dealings with subcontractors, suppliers, and service providers. The Company has ceased all previously entered related-party transactions and obtained the required approvals from the Board of Directors and the General Assembly, as applicable, in accordance with the applicable laws and regulations, as described below.

In the past, the Company entered into undocumented transactions with related parties in which certain members of the Board of Directors have a direct or indirect interest associated with the relevant subcontracting agreements concluded therewith. These undocumented transactions include the transfer of certain equipment from the Company to these parties in exchange for deducting the purchase price thereof from the amounts owed to such parties under the relevant subcontracting agreements. The undocumented transactions that the Company entered into in the past with respect to certain subcontracting agreements such as the ones with Transmission Lines for Contracting and Trading Company and Al-Ghowairi National Co. include a mechanism that allows these parties to utilize a certain number of workers registered under the Company's name in order to carry out their obligations under the subcontracting agreements concluded between such parties and the Company in relation to two projects. The Company pays the salaries, dues and all costs associated with these workers, and then deducts the relevant amounts from the amounts payable to such parties under the respective subcontracting agreements. The number of the Company's workers being utilized in the Company's projects by Transmission Lines for Contracting and Trading Company was 78, while the number of workers being utilized in the Company's projects by Al-Ghowairi National Co. was 170 as at 31 December 2023G. However, on 31 March 2024G, the Company terminated all of these arrangements and none of the Company's workers are being utilized by any of these parties or by any other party. In addition, the Company also had previously permitted certain employees to perform additional work for specific shareholders or their affiliates-namely Mutlaq Damouk Mutlaq Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi-alongside their duties at the Company. A total of 37 employees were involved, of whom 20 employees performed private work for the Shareholder "Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi" and 17 employees for the Shareholder "Terad Damouk Mutlaq Al-Ghowairi Al-Otaibi". The Company terminated the services of these employees and transferred their registration to the names of the respective Shareholders and their affiliates on 31 March 2024G. Currently, no employee registered under the Company's name works for a different employer. The aforementioned transactions are considered incompliant with the provisions of the Labor Law and its Implementing Regulations. Although the Company has terminated all of the aforementioned transactions and does not intend to carry out any similar transactions in the future, these previous transactions may entail future violations of the Labor Law or other applicable laws. For example, the Labor Law stipulates penalties of up to SAR 20 thousand for such violations, with the fines increasing according to the number of workers involved, which may have a material adverse impact on the Company's business, results of operations, financial position and future prospects. Further, historically, the Company lacked a clear and documented policy to regulate the mechanism for contracting and dealing with subcontractors, suppliers and service providers. As such, the Company regularly engaged with subcontractors, suppliers and service providers, whether related parties or otherwise, through direct contracting practices. These practices did not necessarily involve offering opportunities for other bidders or comparing proposals submitted by contracting parties with other proposals to ensure selection of the best option for the Company. In March 2024G, the Company adopted a policy for dealing with subcontractors, suppliers and service providers, regardless of whether they are related parties or otherwise. Such policy includes specific criteria encompassing evaluation of technical and financial proposals submitted by bidders, as well as assessment of their technical and financial capabilities in executing the related agreement. This ensures that the contracting process is conducted based on fair commercial grounds, whether the relevant contract is with a related party or otherwise (for further information regarding the Company's policy for dealings with subcontractors, suppliers and service providers, please refer to Section 2.1.13 (*Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them*), Section 2.1.14 (*Risks Related to the Company's Contracting Mechanism and Policy with Suppliers, Subcontractors and Service Providers*) and Section 11.6.3 (*The Company's Transactions with Subcontractors, Suppliers and Service Providers*) of this Prospectus).

Despite the aforementioned corrective measures taken with respect to the Company's related party transactions in which certain members of the Board of Directors have a direct or indirect interest, which aim to conduct such dealings on a commercial basis and in line with the Company's interests, there is no guarantee that the terms and scope of future agreements with related parties will reflect terms equivalent to those that could have been obtained had the Company contracted with independent persons (i.e., non-related parties), particularly in cases where the Company's interests differ from those of related parties. If the Company enters into contracts with any related party based on a non-commercial benefit or if these dealings lead to the transfer of interests to related parties of the Company in an inappropriate manner, this may have an adverse effect on the Company's costs and revenues, which may have a material adverse effect on the Company's business, results of operations, financial position and prospects.

In accordance with the provisions of the Companies Law, the Company is required to obtain the approval of the Ordinary General Assembly if its Board of Directors have a direct or indirect interest in such transactions. The Company may not be able to obtain the approval of the Ordinary General Assembly for future transactions in which the members of the Board of Directors have a direct or indirect interest, which may expose the Company to the risk of these transactions being challenged or invalidated. In addition, any Board of Directors member with an interest in a transaction must resign or take steps to ensure that they have no interest therein (for example, by terminating the relevant contract or waiving the rights arising from the aforesaid interest). Although the Company has established policies to address conflicts of interest and dealings with related parties transactions, it cannot be guaranteed that conflicts of interest will not arise from time to time due to the relationships of these parties with the Company. The termination of such contracts or the resignation of the aforesaid board member may result in a material adverse impact on the Company's operations, profitability, results of operations, financial position, and future prospects.

It should also be noted that, historically, approvals relating to transactions with related-parties where members of the Board of Directors had a direct or indirect interest were included under a single general agenda item in the Company's General Assembly. This practice contravenes the provisions of Paragraph 2 of Article 96 of the Companies Law, which prohibit including businesses and contracts in which any Board member has a direct or indirect interest under a single agenda item for the purpose of voting en bloc thereon. Although the Company has complied with the regulatory requirement to obtain General Assembly approvals for all current related-party transactions where Board of Director members have an interest, there is no assurance that such a violation of the Companies Law will not recur. Any breach of the provisions of the Companies Law governing approvals for businesses and contracts in which a Board of Director member has an interest could result in challenge to the validity of such actions or approvals, or the imposition of penalties by the competent authorities, which could have a material adverse impact on the Company's operations, profitability, results of operations, financial position and prospects.

Furthermore, the Company's inability to determine and identify related parties in accordance with the CMA's definition, or its inability to understand the surrounding regulatory environment, may affect its ability to comply with monitoring requirements for these transactions and ensuring their review by the Audit Committee and disclosure thereof, potentially exposing the Company to various risks, including sanctions from the CMA, or an inability to verify that the conditions of such agreements align with the Company's interests. The Company may also be unable to renew contracts with related parties upon their expiry on the same terms or more favourable terms. In the event such contracts are not renewed or are renewed by related parties on terms that are not aligned with the Company's interests or strategy, this may result in a material adverse impact on the Company's business, operational activities, financial position, cash flows, and future prospects.

2.1.27 Risks Related to the Use of Accounting Assumptions and Estimates and Financial Reporting Systems

The Company relies on assumptions and accounting estimates in preparing its financial statements in accordance with approved accounting principles, and these assumptions and estimates may have a material impact on its financial results. These assumptions and estimates affect a wide range of the Company's activities and operations, including revenue recognition, cost of sales, fair value of investments, asset impairment, leases, intangible assets, taxes, property and equipment and litigation (for further information on revenue recognition, please refer to Section 2.1.9 (*Risks Related to Revenue Recognition Using the Percentage of Completion Method*)). These assumptions and estimates are inherently complex and depend on the Company's judgment and assessment, which increases the likelihood of accounting errors. Accordingly, any inaccuracy in these assumptions or estimates, or in the principles underlying them, could materially and adversely affect the Company's business, results of operations, financial position and prospects.

Since 2024G, the Company has also relied on ERP systems to prepare its financial statements. Prior to that it depended on the Delta system, which required certain data be prepared through methods that were not fully automated. The Company has not experienced any issues with the historical use of the Delta system or with the effectiveness of the ERP system following its implementation. However, in the future it may encounter operational challenges in applying the system, adapting to periodic updates or upgrades to such system or training employees to use it. Any of the foregoing could have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.28 Risks Related to the Company's Reliance on the Expertise and Capabilities of its Senior Executives

The Company's current operations and future plans rely on the expertise and capabilities of its administrative and technical staff, including its Senior Executives and qualified employees who have extensive experience in infrastructure projects and the related construction, operation and maintenance works, as well as the factors that contribute to its expansion and success. The majority of the Company's Senior Executives also possess extensive experience in infrastructure projects in general and have cultivated close relationships with the Company's clients, suppliers, banks with which the Company deals, and other business partners. There is no guarantee that all or some of these employees will remain at the Company, whether as a result of being recruited by other competing companies or otherwise. The Company's inability to retain its Senior Executives or qualified employees, or its inability to recruit replacements with the same level of experience and skill, would have an adverse effect on the Company's business, financial position, results of operations and prospects.

The Senior Executives, management or key employees of the Company could also act in a manner that adversely affects the Company's business. This could involve abuse of their authority, misuse of information they obtained due to their positions within the Company, or dissemination of misleading information. Such actions may result in the Company being in violation of the law or affect its relationship with clients, which may lead to the Company incurring losses, fines or financial obligations, or cause damage to the Company's reputation and materially and adversely affect the Company's business, results of operations, financial position and prospects.

2.1.29 Risks Associated with Employee Misconduct and Errors

Misconduct or errors by any of the Company's employees which the Company cannot proactively prevent could lead to violations of the provision of a specific law or a contract concluded with one of the Company's clients or contractors. This may result in the imposition of legal penalties on the Company, the Company bearing compensation for such errors, the termination of contracts concluded with the Company, damage to the Company's reputation or the imposition of regulatory penalties on employees in a way that makes it impossible for them to continue performing their job duties, leading to the Company losing one of its employees, or other adverse consequences. It should be noted that violations and legal consequences vary depending on the nature of error, the capacity of the perpetrator, and other factors of a legal nature. Examples of misconduct or errors that may negatively affect the Company if any of its employees engages in such acts include the disclosure of confidential client information, non-adherence to formal and substantive legal or contractual procedures, non-compliance with regulations in general, failure to properly document transactions and applications or obtain the necessary permission to carry them out, or the execution of works in a manner that does not align with client requests. The occurrence of any of the aforementioned would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.30 Risks Related to the Company's Inability to Renew the Necessary Licenses and Permits for its Business

The Company and its activities are subject to numerous laws and regulations that impose general and ongoing obligations. These obligations include obtaining a number of Governmental licenses and permits to undertake its current and future activities, as well as maintaining their validity and renewing them (as the case may be), in addition to complying with the laws and regulations related to such licenses and permits. The aforesaid laws and regulations grant the relevant Governmental entity the power to cancel, refuse to renew, or decline to issue a license or permit in the event that the Company does not comply with the necessary regulatory requirements. The Company's failure to comply with the relevant laws and regulations may lead to the cancellation or non-renewal of its current licenses and permits or its inability to obtain additional licenses or permits that it may need to expand its business, noting that obtaining and renewing licenses is a time-consuming process. If the Company is unable to obtain or renew the relevant licenses or permits, this may lead to the suspension of its operations or the imposition of regulatory penalties or fines on the Company, which would have an adverse effect on the Company's business, financial position, results of operations and prospects.

Since the licenses and permits that the Company must obtain are granted with set validity periods, the Company must renew them and meet the requirements of the concerned entity on an ongoing basis. It is worth noting in this regard that the Company has three licenses issued by the Ministry of Industry and Mineral Resources for building material quarries for the extraction of crusher materials (gravel), each of which expired on 05/04/1444H (corresponding to 30/10/2022G), 26/06/1442H (corresponding to 08/02/2021G) and 22/01/1445H (corresponding to 09/08/2023G), respectively. Since the Company procures minerals, materials and stone extracted from such sites through specialist suppliers in this field, the Company does not deem it necessary to renew these licenses and

perform the activities of mineral, material and stone extraction itself, since it sources these minerals, materials and stone from other parties. Accordingly, these licenses are not considered material for the Company to conduct its business, and therefore the Company has not renewed such licenses as at the date of this Prospectus. However, if the Company's relationship with the relevant suppliers is affected or the prices of their products increase, and thus the Company needs to carry out these works itself, it will be required to renew the necessary licenses to undertake such works. If the renewal of such licenses is unsuccessful for any reason, this may result in disruptions to the Company's business. There is no guarantee that the Company will obtain approval from the relevant authorities when it renews its expired licenses or applies for new licenses. The Company's failure to obtain or renew licenses essential for the conduct of its business, the suspension of its licenses and permits, or the inability to renew licenses and permits due to the imposition of terms that are unfavorable for the Company may result in the Company incurring additional costs to lease and equip a new headquarters, the Company ceasing to carry out its business in whole or in part, or the imposition of financial fines on the Company by the competent Government entities. If any of the aforementioned risks were to occur, this would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.31 Risks Related to the Company's Operations and Project Execution

The Company's ability to operate its existing projects in an effective manner and maintain a good relationship with its clients depends on several factors, including the Company's ability to maintain high levels of operational performance, adherence to health and safety rules and regulations and environmental requirements, effective management of its projects and the high efficiency of its administrative staff. However, there is no guarantee that the Company will continue to maintain these factors, as the Company may face numerous operational risks, including the following:

- the occurrence of operational accidents which could result in injuries, death or total or partial damage to the Company's property or equipment; the Company's exposure to the cessation or suspension of its operations; or the Company's exposure to claims and lawsuits by its clients or other parties;
- inability to obtain sufficient working capital or credit facilities at appropriate rates or total inability to obtain credit facilities (for further information regarding risks related to working capital and financing, please refer to Section 2.1.22 (*Risks Related to Managing and Determining Working Capital and Liquidity Requirements*) and Section 2.1.20 (*Risks Related to Credit Facilities and Guarantees*) of this Prospectus);
- inability to obtain the regulatory licenses and permits required to execute projects in a timely manner, including environmental, operational and other permits (for further information regarding risks related to licenses and permits, please refer to Section 2.1.30 (*Risks Related to the Company's Inability to Renew the Necessary Licenses and Permits for its Business*) of this Prospectus);
- the scarcity of manpower for the required technical jobs, or the absence or high cost thereof;
- geological and construction issues associated with the site or adverse weather conditions;
- outbreaks of infectious diseases within project sites, which may lead to temporary disruption of project works;
- breach of the Company's clients of their contractual obligations, whether by delaying or failing to fulfill their obligations, including delaying payment of the Company's dues at the specified times or failing to provide the necessary instructions or approvals within the specified deadlines;
- failure of external parties to perform their obligations towards the Company, including delays in the supply of materials and equipment or non-payment of the Company's dues; and/or
- cases of force majeure and emergency circumstances.

The projects executed by the Company require the purchase, management, periodic maintenance and storage of high-quality and technologically advanced materials, equipment and machinery in a manner that minimizes the possibility of being exposed to theft or damage. The Company also requires the availability of the necessary labor for the same. However, there is no guarantee that these materials, equipment and machinery will be available in the market, nor is there any guarantee that they will not be exposed to damage, breakdown, theft, improper operation, poor storage or that they will continue to operate with the same effectiveness and quality as a result of their ageing. The occurrence of any of the aforementioned risks may lead to an increase in operational costs and limit the Company's ability to obtain adequate insurance coverage for its equipment in the future. It is worth noting that there is no guarantee that the insurance coverage currently available to the Company is sufficient to replace or repair such equipment. Although the Company has taken all technical, administrative and security measures (such as safe storage, stocktaking and regular maintenance), the occurrence of any of the aforesaid risks would have an adverse effect on the Company's business, financial position, results of operations and prospects. The Company's contracts with its clients typically include provisions that allow clients to terminate the contract, impose fines or

suspend works, or terms that guarantee automatic termination or allow for optional termination in the event of any safety-related risks. Additionally, some of the Company's contracts for operation and maintenance works include special provisions for fines that could result in the Company not receiving compensation for its daily rate or repair fee if the contractually if maintenance and/or operation exceeds the specified period for maintenance or repair (which is generally estimated at a few days per calendar month). Any of these events may lead to a decrease in the Company's revenue from its contracts with its clients. The Company's delay in maintenance and repair works beyond the contractually specified periods may also lead to the termination of contracts or the suspension of the Company's works. The occurrence of any of the foregoing would affect the Company's ability to renew its existing contracts, obtain new contracts or complete its existing contracts, and could also adversely affect its reputation. Any damage to the Company's reputation or relations may have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.32 Risks Related to Seasonal Factors and Fluctuations

The Company's revenues and profits are affected by seasonal factors that may limit the Company's ability to carry out its works. Heavy or continuous rains or other severe weather conditions, such as hurricanes, may delay or disrupt the Company's operations during the basic stages of projects. Such fluctuations may also lead to serious damage to the Company's equipment and facilities. The Company may continue to incur operational expenses and delays in executing projects due to adverse weather conditions. Severe weather conditions may result in the evacuation of employees from the project site and the Company incurring unexpected operating expenses to maintain their safety. The occurrence of any of the aforementioned risks could adversely affect the Company's business, financial position, results of operations and prospects.

2.1.33 Risks Related to Failure to Secure Adequate Insurance Coverage

The Company has 24 various insurance policies to cover risks arising from its business and operations, for employee health insurance, and for property insurance and project contracting business insurance (for further details regarding the Company's insurance policies, please refer to Section 11.9 (*Insurance Policies*) of this Prospectus). The Company's operations may be affected by a number of risks that are either not insurable, are specifically excluded from insurance policies, or are insurable only at a high cost. The Company cannot guarantee that all claims filed against it in the future will be fully covered under the current insurance policies. Moreover, the Company may be unable to obtain sufficient insurance coverage due to the high rates or unavailability of insurance premiums. Additionally, the Company's inability to renew its insurance policies on comparable or acceptable terms, or in the event of a significant increase in the cost of insurance coverage, or if the insurance contracts concluded are insufficient in covering all claims filed against the Company in the future, or the Company is unable to obtain sufficient insurance coverage as a result of the high cost or lack of availability thereof, this would have an adverse effect on its business, financial position, results of operations and prospects.

2.1.34 Risks Related to Natural Phenomena and Disasters such as Floods, Earthquakes and Other Natural Events

The Company, its business or its facilities may be exposed to numerous incidents that are beyond its control which could materially affect the conduct of its business, such as fires, floods and other natural disasters. The occurrence of such incidents may lead to the suspension of work at the Company's affected facilities and projects for a period of time, potentially affecting the Company's revenues during such period. Additionally, the Company may incur emergency capital expenditures and repair, reconstruction and rehabilitation costs to repair and rehabilitate the damaged facilities or projects to their previous conditions. Accordingly, the occurrence of any such incidents would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.35 Risks Related to Protection of the Company's Intellectual Property Rights

As at the date of this Prospectus, the Company has registered one trademark with the Saudi Authority for Intellectual Property (for further details, please refer to Section 11.12 (*Trademarks and Property Rights*) of this Prospectus). Although the Company has registered its trademark, it may still face challenges in monitoring and preventing unauthorized use or other infringements of its intellectual property rights. In addition, the Company may not be able to register its trademark in all the countries it wishes due to the prior registration of the same trademark by other companies in those countries under their names and their usage of such trademark on their products. If the Company is unable to protect its intellectual property rights, or if any other party steals, infringes or violates the Company's intellectual property rights, the value of the Company's trademark could be exposed to damage, which would have an adverse effect on the Company's business, financial position, results of operations and prospects.

The Company may occasionally be forced to file lawsuits to recover the rights to its trademarks and other intellectual property rights. Moreover, other parties may claim that the Company has violated their intellectual property rights, which may result in claims against the Company. Litigation is inherently uncertain and can distract the Company's management, leading to the incurrence of substantial costs, resource diversion and adverse effects on the Company's revenues and profits, regardless of whether the Company is able to successfully maintain or defend its intellectual property rights. Furthermore, such disputes may result in the Company having to enter into franchise or licensing agreements, which may not be available to the Company on viable terms or at all, which would have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.36 Risks Related to Personal Data Breaches

The Company maintains personal and other private data, including information on Company employees and third parties with whom it contracts, as well as its own internal and confidential information. Such information and data is maintained on the Company's dedicated systems, as well as on trusted third-party systems that it uses in its operations. Although the Company takes several measures to maintain the non-disclosure of data, there is no guarantee that the aforementioned personal data will not be exposed to unauthorized access.

The Company also stores and processes the personal data of employees and external parties with whom it contracts. This falls under the scope of the Personal Data Protection Law and its Implementing Regulations, as well as the guides and procedures emanating therefrom. The aforementioned law imposes a number of restrictions and obligations to ensure the protection of personal data, such as the necessity of obtaining prior approval of personal data owners for the processing of their personal data, the appointment of one or more of the Company's employees to be responsible for the Company's compliance with the provisions of the Personal Data Protection Law, implementation of the necessary organizational, administrative and technical procedures and measures to ensure the preservation of personal data, notification of the competent authority in the event of any damage, leakage or illegitimate access to personal data, and immediate notification of the personal data owner of the same if any of the above results in harm to their data or themselves.

The Company applies a set of measures to address risks related to personal data breaches in accordance with the Personal Data Protection Law, its Implementing Regulations and the related guides and procedures. However, the measures implemented by the Company may be insufficient in protecting personal data from violations, providing the necessary notifications to concerned parties regarding a data breach, or ensuring compliance with the provisions of the law. Breaches of data protection laws or loss or theft of personal data would negatively affect the Company's reputation and its relationships with the external parties that deal with it. The Company may also face claims or regulatory penalties, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.37 Risks Related to Zakat and Taxes

The laws and regulations in force in the Kingdom with regard to zakat and tax apply to the Company, including regulations issued by ZATCA. The Company has filed its zakat returns for all financial years since its incorporation until the financial year ended 31 December 2024 and has received zakat assessments for all financial years up to the financial year ended 31 December 2018G. The Company's zakat returns for the years 2020G until 2025G are still under review by ZATCA.

The zakat returns submitted by the Company for the years 2022G and 2023G did not include certain items in the zakat base in a manner that may not comply with the applicable zakat laws and regulations in the Kingdom. Calculating provisions in accordance with the financial statements in the zakat return submitted for 2023G could result in potential zakat liabilities of approximately SAR 1.2 million. Applying the movement of liabilities prepared by the Company to the financial statements, in accordance with zakat regulations, by adding balances due for more than one Hijri year to the zakat base could also result in potential zakat liabilities of SAR 3.0 million and SAR 2.7 million for the financial years ended 31 December 2022G and 2023G, respectively. Accordingly, the Company could incur potential zakat liabilities of SAR 3.0 million and SAR 3.9 million for the financial years ended 31 December 2022G and 2023G, respectively. It is worth noting that the zakat provision recorded in the audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, as well as in the unaudited condensed interim financial information for the six-month period ended 30 June 2025G, covers the amount of the aforementioned potential zakat liabilities.

Every taxpayer registered with ZATCA is required to disclose any contracts concluded with other taxpayers in the Kingdom exceeding SAR 100,000, whether such parties are companies, establishments or Government entities. ZATCA has recently adopted a stricter approach by imposing additional tax obligations and financial penalties on non-compliant parties. During the financial years ended 31 December 2022G, 2023G and 2024G and the six-month

period ended 30 June 2025G, the Company disclosed only a limited number of contracts, based on the requests of the respective counterparties, to ZATCA. If the Company becomes subject to tax assessments by ZATCA and fails to comply with the disclosure requirement, this could result in the Company incurring additional tax liabilities and financial penalties.

The Company is committed to implementing the e-invoicing requirements imposed by ZATCA, which include issuing and storing invoices electronically through an e-invoicing system compliant with ZATCA's requirements starting from 4 December 2021G and linking the Company's e-invoicing system with ZATCA's e-invoicing platform starting from 1 July 2023G. These requirements were implemented in phases, and the Company was classified under the second group of the second phase. However, in several invoices issued previously, the Company did not fully comply with the regulatory VAT requirements and the e-invoicing requirements set by ZATCA. This could result in the Company being subject to financial penalties estimated, based on a selected sample, at approximately SAR 7.1 million. Although the zakat provision recorded in the audited financial statements for the financial year ended 31 December 2024G and the six-month period ended 30 June 2025G covers this estimated amount, the Company may still be subject to additional financial penalties due to non-compliance with VAT and e-invoicing requirements.

The total value of imported services related to technical consulting received from outside the Kingdom during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G amounted to approximately SAR 70.9 million. However, the Company did not calculate, complete or submit the reverse charge mechanism section (supply of services) in the relevant VAT returns for those services. Instead, these amounts were included in the withholding tax return and settles it monthly. The delay in applying the reverse charge mechanism could negatively affect the Company's ability to claim tax refunds, lead to tax being imposed on non-taxable inputs, or result in penalties at a rate of 5% per month of the unpaid or unreported tax, or 50% of the unpaid or unreported tax in the event of filing incorrect returns. The Company has requested clarification from ZATCA regarding this matter.

ZATCA periodically launches initiatives to cancel fines and grant exemptions from financial penalties related to VAT and withholding tax, subject to specific conditions; however, such initiatives do not apply to zakat obligations. ZATCA has extended the exemption initiative until 31 December 2025G. If this initiative is not extended and the Company does not take the necessary measures to address the violations, the Company could incur these fines and financial penalties.

The Company's zakat provision amounted to SAR 59.6 million, SAR 74.1 million, SAR 99.1 million and SAR 135.6 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively. Accordingly, the Company has set aside a zakat provision in its accounts to cover all its zakat obligations for the historical periods mentioned above. In the event that the zakat provisions set aside in its accounts are insufficient to cover any additional zakat liabilities imposed by ZATCA, the Company will seek to establish additional provisions to cover the value of such zakat liabilities. ZATCA may also impose additional claims in the future, with the current shareholders being responsible for covering such claims in relation to previous years and up to the date of Listing. The regulatory framework governing zakat and tax is subject to a number of updates and amendments on an ongoing basis, giving rise to various obligations on the Company (such as zakat obligations related to liabilities that have been outstanding for a full Hijri year and zakat obligations resulting from amendments to the audited financial statements, zakat obligations arising from zakat assessments imposed by ZATCA, the disclosure of contracts with a value in excess of SAR 100,000, the issuance of invoices as required in accordance with tax regulations, e-invoicing requirements, and the reverse charge mechanism).

On 24 June 2024G, ZATCA issued the updated third edition of the Transfer Pricing Guidelines, which expands the scope of compliance requirements for transfer pricing rules to include zakat payers, effective for financial years beginning on or after 1 January 2024G. The Company is currently working to comply with the provisions of these guidelines and assess their potential impact.

The foregoing requires the Company to establish and maintain tax risk records and to adopt tax policies and procedures. Although the Company's finance department manages tax-related matters for the preparation of zakat and tax returns, supported by an external tax advisor for zakat matters only, the absence of a dedicated zakat and tax unit, together with the lack of adopted zakat and tax policies and tax risk records, may limit the Company's ability to fully comply with its obligations under zakat and tax laws. Failure by the Company to properly fulfill all its zakat and tax obligations, whether in the past or in the future, or its inability to create and maintain records of tax risks or adopt tax policies and procedures, may lead to a breach of the Company's statutory obligations or its tax receivables, which in turn may lead to the imposition of fines or penalties on the Company or payment of amounts that do not correspond to the amounts legally required from it. Furthermore, any of the above may have a retroactive effect, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

It is also possible that the Government may impose other fees or new or additional taxes on companies in the future. If new taxes or fees are imposed on companies, this may have a material adverse effect on the Company's business, financial position, results of operations and prospects. For example, an increase in the VAT rate may limit the level of demand for the Company's services and may affect its profitability and expansion plans, which would have a material adverse effect on its business, financial position, results of operations and prospects.

2.1.38 Risks Related to the Company's Inability to Continue to Comply with Saudization Requirements

Based on the regulations and directives of the Ministry of Human Resources and Social Development regarding Saudization (Nitaqat program) requirements, the Company is classified within the Medium Green range, with a Saudization rate of 16% as at 30 June 2025G. It may be difficult for the Company to continue to recruit and maintain this percentage of Saudi employees. Accordingly, the Company may be unable to continue to comply with the requirements of the Nitaqat program. The Company also cannot guarantee its ability to maintain or increase the required Saudization rates. Increases in the number of non-Saudi employees or the Company's inability to implement the Saudization requirements may lead to it being exposed to a number of penalties or incurring high fees, which may have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.39 Risks Related to Government Fees Applicable to Non-Saudi Employees

The Government has adopted a number of policies dedicated to implementing comprehensive reforms in the Saudi labor market, such as imposing additional fees on each non-Saudi employee working for Saudi establishments as at 14/04/1439H (corresponding to 01/01/2018G), as well as additional fees for the issuance and renewal of residence permits for non-Saudi families (which came into effect as at 07/10/1438H (corresponding to 01/07/2017G)). Such fees were gradually increased from SAR 4,800 to SAR 9,600 annually per employee in 2020G. Fees incurred by the Company for residence permits amounted to SAR 22.4 million, SAR 33.4 million, SAR 39.2 million and SAR 18.1 million for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

In addition to the above, the Company's desire to allow non-Saudi employees to work on secondment to third parties (whether for the employee's personal benefit by providing them with additional income to reduce the cost of living or due to the Company's desire to benefit from the labor available to it) may require obtaining additional licenses or approvals and payment of fees due under the Ajeer program.

In general, the increase in Government fees paid by the Company for the issuance and renewal of residence permits for its non-Saudi employees will lead to an increase in the prices of services provided to its clients. In addition, increases in residence permit issuance and renewal fees incurred by non-Saudi employees on behalf of their families will lead to higher costs of living. This may lead to the Company's non-Saudi employees seeking job opportunities in other countries with lower costs of living. In such case, it will be difficult for the Company to retain its non-Saudi employees and will also affect the Company's ability to maintain its employee base. The Company may be forced to incur additional Government fees related to the issuance and renewal of residence permits for non-Saudi employees, which would lead to an increase in the Company's financial obligations. Accordingly, increases in Government fees and difficulties in retaining non-Saudi employees will negatively affect the Company's business, results of operations, financial position and prospects.

It is worth noting that the Ministry of Human Resources and Social Development launched an initiative to improve the contractual relationship, which aims at supporting the vision of the Ministry of Human Resources and Social Development in building an attractive labor market, empowering and developing human competencies, and improving the work environment. The initiative provides three main services, namely the job transfer service and development of the exit and re-entry and final exit mechanisms. The services of the initiative encompass all expatriate workers in private sector establishments within the context of specific controls that take into account the rights of both parties to the contractual relationship as well as the terms of the contract between the employer and the expatriate worker. The job transfer service allows expatriate workers to transfer to another job upon the expiration of their employment contract without the need for the employer's approval. The initiative also specifies the transfer mechanisms during the validity period of the employment contract, provided that the notice period and specified controls are adhered to. Accordingly, the Company cannot guarantee that it will be able to retain its non-Saudi employees and renew their contracts on terms satisfactory to them, which would lead to them moving to other jobs in accordance with the aforementioned mechanisms. If the Company is unable to retain its non-Saudi employees or find replacements for them with the same skills and experience necessary, this would lead to increased financial costs for the Company, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.40 Risks Related to Litigation and Arbitration

The Company could be subject to lawsuits and judicial proceedings in the future that may be filed or brought against it. The Company cannot guarantee the final outcomes or the amounts that it may incur as a result of such lawsuits and judicial proceedings. Therefore, any adverse outcomes arising from such lawsuits and judicial proceedings will negatively affect the Company and its financial results. As the Company contracts with a number of parties, including clients, suppliers and subcontractors, it is exposed to the risk of disputes arising in relation to its transactions with third parties. These disputes may result from several factors, such as failure to provide services in the required manner to the Company's clients, failure to obtain materials of the required quality or the failure of subcontractors to provide services in the required manner or within the agreed timeframe. In addition, the Company is subject to lawsuits arising from traffic accidents that occur in areas adjacent to the Company's project works. The nature of the Company's work also exposes it to risks related to health and safety, which subjects it to lawsuits related to the safety of employees and other parties. Moreover, in the ordinary course of its business, the Company may face lawsuits, claims and judicial proceedings resulting from operational accidents or labor lawsuits and claims due to the large number of employees and workers working for the Company, which stood at 4,713 as at 31 December 2025G. In any of the aforementioned cases, if a judgment is issued against the Company or it is forced to settle any dispute amicably and pay material compensation, this would have an adverse effect on the Company's business, financial position, results of operations and prospects.

As at 13/11/1447H (corresponding to 30/04/2026G), the Company is a party to 15 ongoing lawsuits which arose in the ordinary course of its business, including traffic, commercial and labor claims, as well as claims related to liability for tortious acts. Traffic lawsuits filed against the Company totaled two cases with aggregate claims of SAR 35,287; labor lawsuits totaled two cases with aggregate claims of SAR 1,483,877; lawsuits arising from liability for tortious acts totaled eight cases with aggregate claims of SAR 206,747.49; and one commercial claim of SAR 43,600. Whereas the number of cases brought by the Company includes two commercial claims valued at SAR 33,718,427. The first lawsuit involved a claim against the defendant to compensate the Company for damages caused by the defendant for improper execution of subcontracted works. The second lawsuit involved a claim against the defendant for compensation for extending the timeline for executing a project. The Company has not set aside provisions for these claims. It may, however, be required to do so in the future, which could have an adverse effect on the Company's business, financial position, results of operations and prospects (for further details, please refer to Section 11.14 (*Litigation, Claims and Legal Proceedings*)).

In addition to the above, such lawsuits and proceedings, regardless of their outcome, could result in the Company incurring high costs, such as fees for the appointment of professional advisors to advise it in relation to such proceedings and lawsuits, as well as allocating significant resources to handle such lawsuits and proceedings, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.41 Risks Related to the Lack of Experience of the Company's Management in Managing a Listed Joint Stock Company

The Company has been managed as an unlisted company since its establishment, and therefore members of the Executive Management have limited experience in managing listed joint stock companies, especially with respect to compliance with the rules and regulations of listed joint stock companies. Executive Management members, in particular, are required to exert additional efforts to ensure that the Company adheres to the regulatory rules and rules related to disclosure imposed on companies listed on the Exchange, which may reduce the time that Executive Management members allocate to managing the Company's daily business. Furthermore, this limited experience may result in the Company's non-compliance with the regulations and laws imposed on listed companies, including timely disclosure obligations such as the submission of financial statements. This could expose the Company to regulatory penalties imposed by the competent authorities. If such penalties are significant, they could have an adverse impact on the Company's business, financial position, results of operations and prospects.

2.1.42 Risks Related to the Company's Compliance with the Companies Law and its Implementing Regulations, the Corporate Governance Regulations and other Mandatory Regulations and Policies

The Companies Law and its Implementing Regulations impose certain legal requirements that the Company must adhere to, including requirements related to adherence to the periods stipulated for holding annual Ordinary General Assembly meetings, the method of work of the Company's Board of Directors, and other requirements that impose ongoing obligations on the Company. It is worth noting that previously, the Company was not compliant with some

of the requirements stipulated in the Companies Law, as it did not hold the annual Ordinary General Assembly meeting during the six-month period following the end of the Company's financial year for the financial years ended 31 December 2021G and 2022G. Furthermore, the Board of Directors did not hold any meetings during the same financial years, and thus did not hold the minimum of four meetings required annually in accordance with the Companies Law and the Company's Bylaws. Thus, there is no guarantee that the Company or its officers will not be exposed to the violations and penalties stipulated in Chapter 13 of the Companies Law, which could reach up to SAR 500,000, due to its non-compliance with previous regulatory requirements. Moreover, there is no guarantee that the Company will comply with the provisions stipulated in the Companies Law and its Implementing Regulations in the future, which may expose it to additional violations or penalties. If any of the violations or penalties contained in the Companies Law are imposed on the Company due to its non-compliance with the provisions of the Companies Law or the Implementing Regulations thereof, whether prior to or following the date of this Prospectus, this may have a material adverse effect on the Company's business, financial position, results of operations and prospects. It is worth noting that the Company has never received any fines or been subjected to any penalties as a result of its non-compliance with the Companies Law.

The Company also adopted its internal governance regulations and policies in accordance with the Corporate Governance Regulations, the Companies Law and the Company's Bylaws, as per the Board of Directors' resolutions dated 23/04/1445H (corresponding to 07/11/2023G) and 14/09/1445H (corresponding to 24/03/2024G). In addition, the Extraordinary General Assembly held on 02/05/1445H (corresponding to 16/11/2023G) and the General Assembly held on 14/09/1445H (corresponding to 24/03/2024G) approved the regulations and policies that require approval in accordance with the provisions of the Corporate Governance Regulations, including the internal governance regulations, the Audit Committee charter and the Nomination and Remuneration Committee charter, which were formulated based on the Corporate Governance Regulations. The Company's success in correctly applying the rules and procedures contained in these regulations and policies will depend on the extent to which the Company is aware of, and the Board of Directors, its Committees and the Company's Senior Executives understand and correctly apply such rules and procedures, particularly those related to governance, the formation of the Board of Directors and its Committees, independence requirements, and rules related to conflicts of interest and Related Party transactions. It is worth noting that the Company's failure to comply with the mandatory regulations and policies contained in the Corporate Governance Regulations will expose it to regulatory penalties, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

The Company's Board of Directors approved the reformation of the Audit Committee on 23/04/1445H (corresponding to 07/11/2023G) and 01/03/1446H (corresponding to 04/09/2024G), and the reformation of the Nomination and Remuneration Committee 23/04/1445H (corresponding to 07/11/2023G). Furthermore, the Ordinary General Assembly approved the Audit Committee charter and the Nomination and Remuneration Committee charter on 02/05/1445H (corresponding to 16/11/2023G) (for further information regarding the Company's Board Committees and their responsibilities, please refer to Section 5.4 (*Board Committees*) of this Prospectus). If these committees fail in their duties and do not adopt positions that guarantee the protection of the interests of the Company and its Shareholders, this will affect the Company's compliance with the requirements of the Corporate Governance Regulations and ongoing disclosure requirements, as well as the ability of the Board of Directors to monitor the Company's business through its Committees, which would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.43 Risks Related to the Expansion of the Company's Business

Entering into new sectors and expanding the sectors in which the Company operates requires the allocation of significant resources. Moreover, there is no guarantee of the success or feasibility of these efforts in meeting the needs of the Company's clients within various sectors (for further information regarding the Company's expansion plans, please refer to Section 4.14 (*Future Plans and Initiatives*) of this Prospectus). The Company's future performance depends on its ability to implement its growth plans and strategies, which include the expansion of its operations into new markets and participation in new opportunities emerging from Government projects, particularly those linked to Vision 2030. To ensure that the various needs of its clients are adequately met, the Company must:

- develop financial and administrative systems to keep pace with these expansions while maintaining and developing the current quality level of the services provided by the Company;
- maintain existing clients and attract new clients;
- provide adequate financing (including the financial resources currently available to the Company) on terms commercially acceptable to the Company;
- address competition from local and international entities;
- maintain and strive to increase its current market share;

- reduce costs and establish effective controls to maintain quality and service levels;
- increase the number of qualified employees, train them and manage them with the required efficiency;
- improve the infrastructure and information technology systems on which the Company relies; and
- ensure the availability of favorable economic, regulatory and market conditions for the Company.

If any of the aforementioned factors are not achieved, or if any other factors outside the Company's control are achieved, the Company's revenues may not grow at the rate they were in previous periods, or the Company may incur additional costs without obtaining the expected revenues from implementing its expansion plans. It may also be impossible to reach the expected level of profitability within the schedule specified in these plans, which will affect the Company's competitive position, increase pre-operating costs and thus negatively affect the Company's business, financial position, results of operations and future prospects.

Based on the above, the Company's failure to effectively implement its expansion plans and growth strategies will negatively affect the Company's business, financial position, results of operations and future prospects.

2.1.44 Risks Related to Potential Future Acquisitions

The Company's strategy includes expansion in size and scope. Therefore, the Company may seek to make acquisitions, investments or mergers that would complement or expand the Company's business. Some of these operations may be large in relation to the size of the Company's business and may require significant capital or additional support. Such acquisitions, investments or mergers involve various risks, including the Company's failure to accurately assess the value, strengths and weaknesses of the targeted acquisitions, investments or mergers, effectively integrate the acquired business or assets, achieve the expected integration, or recover the costs of the acquisition of those businesses or assets. The Company may also incur unexpected costs or incur unexpected liabilities and losses with respect to any business or asset it acquires, including in relation to the retention of key employees or contingent legal obligations (such as contractual, financial, regulatory, environmental or other obligations and liabilities), as well as risks related to the acquired business and maintaining and integrating procedures, controls and quality standards. These difficulties may affect the Company's ongoing business, distract its management and employees and increase its expenses, which may have an adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.45 Risks Related to Joint Ventures

In the future, the Company may contribute to establishing or investing in joint ventures to execute its business or achieve its expansion plans or strategic goals. This may result in a number of risks, including the inability of the Company to obtain a controlling share in these joint ventures or companies, which may prevent the Company from ensuring that its investment objectives are compatible with the objectives of these companies or joint ventures in the future. The Company's objectives may not be compatible with the objectives of its partners, or these partners may violate their obligations under the agreements concluded with the Company regarding these investments and subsequent business. In addition, investments and strategic partnerships may require significant time and effort from the Company's management. There is no guarantee that any of these investments or companies will be successful in the future, which may lead to the Company's management wasting time on them. These investments may also lead to the Company incurring unforeseen obligations and being forced to cooperate with a strategic partner that may not cooperate with the Company at all. In addition, these investments may lead to other regulatory risks, including violation of the related laws and regulations by an investor, partner or joint venture, which may result in a violation of the Company. The Company may also be required to make cash contributions in the event that its partners are unable to fulfill their obligations related to financing within these companies or joint ventures. If the Company contributes to establishing or investing in joint ventures or companies in the future, any of the above would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.2 Risks Related to the Market, Sector and Regulatory Environment

2.2.1 Risks Related to the Structure of the Water and Road Infrastructure Market

The majority of water sector infrastructure projects are currently managed by public sector and semi-Governmental entities, which are responsible for offering tenders related to construction works and awarding them to competing companies. The water sector is subject to material changes resulting from a change in the strategic direction of the Government. Pursuant to Council of Ministers' Resolution No. 32, dated 11/01/1441H (corresponding to 02/08/2022G), all assets of the Saudi Water Authority were transferred to Water Solutions Company, a company owned by the Public Investment Fund. As a result, infrastructure projects in the water sector may change significantly during the coming period and the Public Sector and Semi-Governmental client base may be affected. As such, if

the Company is unable to maintain a relation similar to its existing relation with the Saudi Water Authority, or if it is unable to maintain its portfolio of ongoing projects or obtain similar projects in the future from the Water Solutions Company, this may have a material adverse effect on the Company's business, financial position, results of operations and prospects.

In addition, work is underway to restructure the transportation sector. Although this sector is still managed by public sector and semi-Governmental entities as at the date of this Prospectus, it is expected that the Roads General Authority will manage and award transportation sector projects in the future. Therefore, if the Company is unable to maintain a relation similar to its existing relations with the current public sector or semi-Governmental entities responsible for the transportation sector, or if it is unable to maintain its portfolio of existing projects or obtain similar projects in the future from the Roads General Authority, this may have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.2.2 Risks Related to Changes in the Calculation Mechanism for Zakat and Income Tax

ZATCA issued Circular No. 6778/16/1438, dated 05/03/1438H (corresponding to 04/12/2016G), which requires Saudi companies listed on the Exchange to calculate income and zakat on the basis of the nationality of Shareholders and actual ownership of Saudi and GCC citizens and other nationals as described in the "Tadawulaty" system at the end of the year. Prior to the issuance of this Circular, companies listed on the Exchange were generally subject to payment of zakat or tax based on the ownership of their founders in accordance with their bylaws and the effect of listed shares in determining the zakat base was not taken into account. This Circular was scheduled to be applied in the financial year ended 31 December 2016G and subsequent years. However, ZATCA issued its Letter No. 12097/16/1438, dated 19/04/1438H (corresponding to 17/01/2017G), postponing the implementation of the Circular for the financial year ended 31 December 2017G and the coming years. Until ZATCA issues guidelines regarding the mechanisms and procedures for implementation of the Circular, the implementation of such Circular in practice, including the final requirements to be met, remains under consideration, along with the rules subjecting all non-GCC residents who are shareholders in listed Saudi companies to income tax and applying withholding tax to dividend distributions for non-resident shareholders, regardless of their nationality. The Company has not assessed the financial impact of this Circular, nor has it taken sufficient steps to ensure compliance therewith, since it is a closed joint stock company owned by Saudi Shareholders. If the financial impact of this Circular, upon application, is significant, or if the Company incurs additional costs to take the necessary steps to ensure compliance therewith, this will have a material adverse effect on its business, results of operations, financial position and prospects.

2.2.3 Risks Related to Political Instability and Security Concerns in the Middle East Region

All of the Company's operations are concentrated in the Kingdom and its revenues are confined to the works it executes therein. Accordingly, the Company's financial performance depends on the prevailing economic and political conditions in the Kingdom and the Middle East region. The Middle East region is exposed to a number of geopolitical and security risks. Moreover, as the political, economic and social environments in the Middle East region in which the Company conducts its business remain subject to continuing developments, investments in this region may be characterized by a degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in countries located in the Middle East region may have an adverse effect on the Kingdom, which may affect the Company's clients. This in turn may have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.2.4 Risks Related to Force Majeure Events such as Terrorist Attacks, Wars and Natural Disasters

Security conditions in the region have recently escalated significantly since 11/09/1447H (corresponding to 28/02/2026G). Although the Company's assets and operations have not been directly affected by these events as of 13/11/1447H (corresponding to 30/04/2026G), there can be no guarantee that such events, should they continue, will not adversely affect the Company. These disruptions have prompted shipping companies to alter their routes to avoid the region entirely, which may further exacerbate supply chain disruptions, including delays in the delivery of imported materials, extended delivery periods, or increased shipping, insurance, and material costs (for further information on the risks associated with fluctuations in material prices, please refer to Section 2.1.13 (*Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them*)). Any future escalation of hostilities in the region may have a material adverse effect on the Company's business, operations, financial position, and future prospects. Moreover, the occurrence of natural disasters or acts of sabotage beyond the control of the Company may negatively affect

the Company's facilities and projects. Any damage to the Company's facilities or projects as a result of floods, earthquakes, storms or other natural disasters or as a result of sabotage may lead to the Company incurring high costs or interruptions to its business, which may lead to an increase in its operational costs or a decrease in its revenues. The occurrence of any of these events may have a material adverse effect on the Company's business, operations, financial position and prospects.

2.2.5 Risks Related to Environmental, Health and Safety Laws

The Company is subject to the environmental, health and safety protection laws and regulations in force in the Kingdom. Such laws set various specific standards for environmental protection and the preservation of health and safety, and impose fines or penalties in the event of non-compliance. These penalties may include withdrawal or suspension of the Company's licenses, which would result in disruptions to the Company's operations and the Company being exposed to lawsuits and judicial proceedings. The Company cannot guarantee that it will continue to fully comply with all applicable environmental, health and safety laws and regulations, or that it will be able to uphold its contractual obligations that surpass the minimum legal requirements for health and safety standards. Non-compliance with these laws, regulations or obligations could expose the Company to statutory or contractual penalties and sanctions. This could lead to the Company incurring losses or adversely affect the Company's reputation, which in turn would have a material adverse effect on the Company's business, operations, financial position and prospects. Regulators may enforce current rules more strictly than at present, issue more stringent standards in the future, or impose higher fines or penalties for observed violations than has historically been the case. The Company cannot estimate the future financial impact of compliance with such rules or the costs of non-compliance therewith.

Complying with these laws and regulations also imposes significant costs on the Company. This may involve the incurrance of additional capital expenditures or necessitate operational adjustments, which in turn would lead to the Company incurring high expenses in connection with implementing these changes. Furthermore, the Company's safety record is regularly reviewed by its clients during the tendering process. A significant decline in the Company's safety record may disqualify the Company from bidding for certain works or the Company's clients may cancel their contracts with the Company and not enlist it in the future. The occurrence of any of the above-mentioned factors will have a material adverse effect on the Company's business, financial position, results of operations and prospects.

Loss of life or serious injury to the Company's employees arising from its non-compliance with applicable health and safety rules could lead to the disruption of the Company's operations or impose significant liabilities on the Company for the resulting damages, penalties or compensation. This may also expose the Company to negative coverage from the media, which may affect the Company's reputation. The use of high-voltage machinery and equipment or other devices in the Company's works poses significant environmental, health and safety risks. The materialization of any of these risks (including fires, floods, explosions, vehicle accidents, falls from height, personal injuries, disasters, injuries to employees and subcontractors, and environmental pollution) could have a substantial impact on the Company's operations. If any of the aforesaid risks were to occur, this could have a material adverse effect on the Company's business, operations, financial position, results of operations and prospects.

2.2.6 Risks Related to Compliance with Saudization and Labor Law Requirements

The laws and regulations in force in the Kingdom require compliance with Saudization requirements, whereby all companies operating in the Kingdom must employ, train and maintain a minimum percentage of Saudi employees. This percentage varies according to the activities undertaken by the company. In addition, some of the Company's contracts with its clients stipulate certain Saudization percentages that the Company must adhere to. Although the Company has obtained the related certificates from the Ministry of Human Resources and Social Development, there is no guarantee that the Company will be able to continue to comply with the Saudization and Nitaqat program requirements. Failure to comply with the Saudization requirements and the Nitaqat program could expose the Company to penalties from Government authorities, including the suspension of work visa applications and sponsorship transfer applications for non-Saudi employees, as well as exclusion from Government tenders and Government loans. Furthermore, the Company may not be able to hire Saudi employees on favorable terms or at all, or it may be unable to retain its current Saudi employees. This would affect the Company's ability to meet the required Saudization rates, or lead to a noticeable increase in salary costs if the Company were to employ a larger number of Saudi employees. The occurrence of any of the aforementioned would have a material adverse effect on the Company's business, financial position and prospects.

Moreover, all companies operating in the Kingdom must implement employment policies and contracts that align with the Saudi Labor Law, which is regularly updated by the Ministry of Human Resources and Social Development. Notwithstanding this, the Company must ensure that its employment contracts adhere to the Labor Law and its provisions. Persistent non-compliance by the Company could lead to the risk of fines being imposed and the

relevant employment contracts being terminated under the provisions of the Labor Law, which may have a material adverse effect on the Company's business, financial position and prospects.

2.2.7 Risks Related to Changes in Accounting Principles and Policies

The Company prepares its financial statements in accordance with the International Financial Reporting Standards endorsed in the Kingdom. Since these standards are issued and updated through the International Accounting Standards Board endorsed in the Kingdom or through the board of directors of SOCPA, some of these publications or updates could have a material adverse effect on the Company's business, financial position and prospects.

2.2.8 Risks Related to the Outbreak of Pandemics and Infectious Diseases

An outbreak of an infectious disease in the Kingdom or elsewhere, or any other serious public health concerns such as the global spread of COVID-19, could have an adverse impact on economies, financial markets and business activities worldwide, including the Company's business. For example, the global outbreak of COVID-19 has led to volatility in global capital markets, affected commodity prices, led to high levels of unemployment and adversely affected global oil demand and prices. The Kingdom, like other countries, implemented strict preventive and precautionary measures related to travel and public transportation, stay-at-home orders and social distancing practices, and the closure of workplaces and economic activities for extended periods, which led to severe disruption in the Kingdom's economy. The stringency of these preventive and precautionary measures varied from time to time based on various factors, including the severity of the spread of the virus. The occurrence of any of the above or the outbreak of other infectious diseases around the world may lead to a prolonged decline in oil prices or have a sustained negative impact on the Kingdom's economy, which in turn will have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.2.9 Risks Related to Changes in the Regulatory Environment

The Company is subject to numerous laws and regulations in force in the Kingdom, which are implemented by Government agencies in accordance with Government policies and directives. Demand for the Company's business may be adversely affected as a result of amendments that may be made to laws, regulations, policies, Government directives and decisions or their interpretations in the Kingdom, including changes in laws, regulations and policies related to taxation, antitrust, liquidation, corporate governance, imports and exports, environmental protection and health and safety standards, as well as changes in any laws related to the Company's business that could affect its operations and activities. Any changes to the Company's regulatory environment could have an adverse effect on the Company's business, financial position, results of operations and prospects.

Moreover, the nature of the laws and regulations related to the Company's activities necessitates continuous compliance. The inability of the Company to adhere to these laws and regulations as required could result in the imposition of penalties, fines or sanctions by regulatory authorities on the Company. Such actions would have a negative impact on the Company and limit the growth of its revenues or lead to the suspension of its business or licenses, which in turn would have an adverse effect on the Company's business, financial position, results of operations and prospects. It is also worth noting that the regulatory environment in the Kingdom is subject to continuous development and thus the Company is unable to predict any changes to the laws applicable to its business. As such, the Company may be subject to fines and penalties, which would have a material adverse effect on its business, results of operations, financial position and prospects.

2.2.10 Risks Related to Competition and the Intensification Thereof

The sectors in which the Company operates are characterized by a multiplicity of competitors. The Company competes with other companies, including local companies that serve local markets and foreign multinational companies that serve global, regional and local markets. The competitive landscape varies within the sectors in which the Company operates depending on the client profile, project nature and complexity, geographical location, and manpower requirements. Entities with ample financial resources, a proven track record of the required expertise in the same sector, a prestigious classification and access to technical experts could emerge as competitors of the Company in the sector in which the Company operates. Competition in the construction, operation and maintenance of infrastructure projects within the water, transportation and urban development sectors is dependent on a number of competitive factors, including financial proposals, how services are provided, quality, geographical presence, innovation and customer service. Some of the Company's competitors, particularly foreign multinational companies, may have low provisions for labor and general expenses under which they are able to offer their services at lower prices than the Company. Certain competitors of the Company may also have financial, technical and human resources that exceed the Company's resources. The Company cannot guarantee that its competitors will not

continue to develop their expertise and resources with the aim of offering services that surpass those provided by the Company in terms of price, quality and project execution time. Likewise, there can be no assurance that the Company will be able to maintain or strengthen its competitive position within the markets in which it provides its services or maintain its client base at current levels. If the Company is unable to address these competitive challenges, this would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

The Company may also face competitive challenges in the tenders on offer if such tenders require the presence of a global partner with specialized expertise in a particular field in which the Company operates. Local companies may compete to form partnerships with global partners for the tenders on offer, and the Company cannot guarantee the success of its proposals to such global partners.

In general, despite the multitude of factors that may affect the Company's ability to secure the projects for which it bids, the financial proposal in such projects remains a key factor in determining the winning bidder. Although the Company has been able to secure a significant number of projects in the sectors in which it operates, there is no guarantee that it will continue to secure projects in the future. In addition, there is no guarantee that the Company's competitors will not submit lower financial offers than the Company. In some instances, these bids may not even be financially feasible for the Company's competitors. If the Company is unable to address these competitive challenges, this would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.2.11 Risks Related to the Impact of Economic Conditions on the Company's Operations

Given that the Company's activities and operations are concentrated in the Kingdom and the fact it derives all its financial returns from its sales within the Kingdom, its financial performance depends on the economic conditions of the Kingdom, in addition to global economic conditions affecting the Kingdom's economy. It is worth noting that investing in emerging markets in general, including the Saudi market, may involve a higher degree of risk compared to investments in other countries. Since the oil sector accounts for the largest share of the Kingdom's GDP, potential fluctuations in oil prices may negatively affect the Kingdom's economy. A prolonged decline in oil prices could lead to a recession or economic downturn, potentially resulting in Government spending cuts and the suspension of infrastructure projects, which would have an adverse effect on the Company's business, results of operations, financial position and prospects.

There is no guarantee that negative developments arising from international relations or economic and political conditions in other countries will not negatively affect the Kingdom's economy, foreign direct investment in the Kingdom or its financial markets. Moreover, there is no guarantee that these factors will not adversely affect the Company's business, financial position, results of operations and prospects, and therefore the price of the Company's Shares.

Any significant unforeseen changes in the political, economic or legal environment in the Kingdom or in any other countries in the Middle East could have a material adverse effect on the Company's business, results of operations, financial position and prospects. Examples of such changes include, but are not limited to, normal market fluctuations, economic downturns, insolvency, high unemployment rates, technological transformations, and other developments.

Furthermore, major changes in tax or trade policies, customs tariffs, or trade relations between the Kingdom and other countries, or changes in domestic policies such as the imposition of unilateral customs duties on imported goods, as well as any negative backlash towards the Kingdom resulting from increased customs tariffs on imports and other changes in trade regulations in the Kingdom, could lead to a significant increase in the Company's costs, restrict the Company's access to suppliers and reduce economic activity, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control by the Selling Shareholders After the Offering

After the completion of the Offering, the Selling Shareholders will own 62.22% of the Company's Shares. As a result, the Selling Shareholders will have the ability to significantly influence the Company's business through their ability to control decisions and actions that require Shareholders' approval, including, without limitation, the election of Directors, significant corporate transactions, dividend distributions and share capital adjustments. In cases where the interests of the Selling Shareholders conflict with the interests of the minority Shareholders (including

the Subscribers), the minority Shareholders may be disadvantaged and the Selling Shareholders may otherwise exercise their control over the Company in a manner that will have an adverse effect on the Company's business, financial position, results of operations and prospects, and therefore on the price of the Company's Shares.

2.3.2 Risks Related to the Absence of a Prior Market for the Company's Shares and Potential Fluctuations in the Share Price

The Company's Shares have not previously been offered or traded on a public stock market. There is no guarantee that there will be an active and orderly market for trading in the Company's Shares after the end of the subscription period. If a market with the necessary liquidity does not develop and is not maintained, the price of the Shares may be negatively impacted. This in turn could adversely affect the expected returns of Subscribers or lead to the partial or complete loss of their investments in the Company.

2.3.3 Risks Related to Fluctuations in the Market Price of the Shares

The Offer Price has been determined based upon several factors, including the past performance of the Company, the prospects of the Company's business, the sector in which it operates and an assessment of the Company's management, operations and financial results. The Offer Price may not be equal to the trading price of the Shares after completion of the Offering. Investors may be unable to resell the Offer Shares at the Offer Price or at a higher price, or they may not be able to sell the Shares at all.

In general, the stock market is sometimes subject to extreme price and volume fluctuations. Market fluctuations may lead to significant changes in the price of the Shares, which could cause a decline in the value of the Shares, and higher price volatility if the trading volume decreases. The Share price may be adversely affected by several factors, including the Company's performance and expected results of operations, the departure of key personnel from their positions, changes in earnings estimates or forecasts, changes in business strategy, market conditions related to the sector in which the Company operates, the general condition of the Kingdom's economy, changes in laws and regulations, acts of terrorism, acts of war, natural disasters, catastrophic events and price fluctuations on the Stock Exchange. The occurrence of any of these risks or other factors may have a material adverse effect on the expected returns of Subscribers, or may result in the loss of all or part of their investments in the Company.

2.3.4 Risks Related to the Distribution of Cash Dividends and Restrictions Imposed by Banks on the Distribution of Dividends

The distribution of dividends is contingent on several factors, including the Company's ability to achieve profits, its financial position, statutory reserve requirements, contractual obligations, general economic conditions, cash flows, working capital requirements and capital expenditures, among other factors that are subject to the recommendation of the Board of Directors in announcing dividend distributions as it deems appropriate. Shareholders may only receive a return on their investment in the Shares by selling them at a price higher than the purchase price. Accordingly, the Company does not guarantee that there will be sufficient funds for the distribution of dividends or that it will declare dividends to Shareholders in the near future. Accordingly, Subscribers should take these risks into consideration as they could have a material adverse effect on their investment plans and projects (for further details, see Section 7 (*Dividend Distribution Policy*)).

2.3.5 Risks Related to Offering Additional Shares in Order to Increase Share Capital

The requirements of the Company may mean it needs to increase its share capital. Factors that may require the Company to increase its share capital include factors related to the expansion of the Company's activities beyond the capabilities of its budget, the imposition of additional capital requirements resulting from the issuance of new laws and regulations, the significant depletion of its current capital as a result of unexpected operational losses or due to the acquisition of a company or an asset or the transfer of a debt. The Company may not be able to increase its share capital at the time it needs or in a manner that serves its interest or the interests of the Current Shareholders, which will have an adverse effect on the Company's business, financial position, results of operations and prospects, and therefore on the price of the Company's Shares.

Should the Company offer new shares in the future, including the Secondary Offering, this could dilute the shareholdings of Subscribers in the Company. Furthermore, the offering of additional shares in the future or the sale of Shares by the Company's Substantial Shareholders may have a material adverse effect on the trading price of the Shares. Moreover, if Subscribers become aware of such sale or offering, this may affect the trading price of the Shares. Consequently, Subscribers must carefully consider the impact of these risks as they may have an adverse effect on the Company's business, financial position, results of operations and prospects, and therefore on the price of the Company's Shares.

2.3.6 Risks Related to the Sale of a Large Number of Shares on the Exchange After the Lock-up Period

Should the Company offer any ownership stakes in the future, including shares with pre-emptive rights, this could dilute the shareholdings of Subscribers in the Company. Furthermore, the offering of ownership stakes in the future or the sale of Shares by Substantial Shareholders may have a material adverse effect on the trading price of the Shares. The current Substantial Shareholders are subject to a six-month Lock-up Period starting from the date trading of the Company's Shares commences, during which they are prohibited from disposing of any of the Company's Shares that they own. After the end of the Lock-up Period, the Substantial Shareholders may dispose of their Shares. Although the Company does not currently intend to issue new shares immediately after the end of the subscription process, any change in this policy in the future and the Company making significant new issuances of Shares or the Current Shareholders selling large quantities of Shares following the Lock-up Period could adversely affect the price of the Shares on the Exchange. Accordingly, Subscribers must carefully consider these risks, as they may have a material adverse effect on their investment plans and projects.

2.3.7 Risks Related to Foreign Currency Exchange When Investing in Offer Shares

The Offer Shares and any dividend distributions will be denominated in Saudi Arabian Riyals. Accordingly, any investment in the Offer Shares by an investor whose primary currency is not the Saudi Arabian Riyal will be exposed to the exchange rate risks of that foreign currency. This may adversely affect the value of the investor's investment in the Offer Shares or any profits thereunder.

2.3.8 Risks Related to Failure to Publish Research or the Publication of Unfavorable Research Regarding the Company

After the Offering, the Company's Shares may be affected by research and reports published by research analysts regarding the Company or the sector in which it operates. If analysts cease coverage of the Company or fail to publish reports on it regularly, it could lose its position and visibility on the Exchange (Tadawul), which in turn may lead to a decline in the price or trading volume of the Company's Shares. Analysts may also downgrade their recommendations regarding the Company if operating results do not meet investors' expectations, which may lead to a decline in the price of the Company's Shares.



03

Market Overview

3. Market Overview

3.1 Introduction

The information included in this section has been sourced from a market study report prepared by the Market Consultant, A.T. Kearney Saudi Ltd, an independent third party that provides strategic market research advisory services. For more information about the Market Consultant, please visit (www. Kearney.com).

Neither the Market Consultant nor any of its employees or affiliates holds any shares or any interest of any kind in the Company or any of its subsidiaries. The Market Consultant has provided its written consent to the use of its name and the market information and analysis prepared for the Company, and such consent has not been withdrawn as at the date of this prospectus.

The information contained in this section is based on research conducted by the Market Consultant up to the date of the market study report in August 2024, and was reviewed and updated in September 2025. The Market Consultant's report was prepared based on the analysis of primary and secondary information, as well as information available to the consultant or publicly available information. This includes data and information provided by the Company, discussions with the Company's management, and secondary research using publicly available surveys, market research and sources, including sources obtained from government entities, the websites of design offices and construction contractors, academic papers, and sector reports issued by construction sector consultants, as well as the Market Consultant's internal expert network.

The Market Consultant sought to maintain independence and objectivity in preparing the market study report and exercised the required professional care to ensure the accuracy and completeness of the report. Although a significant portion of the information contained in the market study report was obtained from sources believed to be reliable, the accuracy and completeness of such information are not guaranteed. In addition, the research was conducted from an overall industry perspective and may not necessarily reflect the individual performance of companies within the sector, nor does it constitute an accurate indicator of the Company's future performance. Accordingly, nothing in this section constitutes, or should be relied upon as, a promise or representation regarding the future.

The report reflects the Market Consultant's views regarding market size, growth and drivers as at the date of the market study report; however, the achievement of any expectations depends on a number of additional factors. These include the effective and timely implementation of government initiatives, technological progress, regulatory changes and developments, as well as industry trends and dynamics.

Accordingly, the Company and its Board of Directors believe that the data and information obtained from, or derived from, other sources in this prospectus, including those provided by the Market Consultant, are reliable. However, such information and data have not been independently verified by the Company, or any of its directors, senior executives, or any other adviser, and therefore none of them assumes any responsibility for the accuracy or completeness of the information stated. The Market Consultant, its board members, partners, employees, or any other person also assumes no responsibility for the foregoing, or for any direct, indirect, or consequential loss or damage incurred by any person as a result of reliance on any of the information contained in this section. Furthermore, nothing in this section constitutes any legal or investment advice or any valuation in respect of the Company's shares or the sector in general. Therefore, any reliance by any third party on the information contained in this section for any purpose does not relieve such party from conducting its own due diligence to verify the accuracy of the data and the results of such analysis.

3.2 EPC and O&M market delineation

3.2.1 Market value chain

The construction industry value chain entails five main activities across the lifecycle of construction projects: financing and funding, design and engineering, procurement, construction, and operations and maintenance.

The Financing and Funding stage involves securing the necessary financial resources to initiate, sustain, and complete a construction project. This stage is crucial as it ensures that the project has the financial backing required to cover all costs from inception to completion. It is typically owned by developers, who are responsible for sourcing and managing the funds.

The Design and Engineering stage involves creating the project's vision, assessing feasibility, and developing detailed plans. It includes concept design, feasibility studies, basic design, and detailed design, ensuring all technical and regulatory requirements are met for successful execution.

The Procurement stage involves acquiring the necessary machinery, materials, and skilled labor for a construction project. It ensures timely availability and operational readiness of resources while managing costs and logistics to maintain project timelines and budget constraints.

The Construction stage involves site preparation, building foundations, assembling primary structures, and completing final touches. It includes installing Mechanical, Electrical, and Plumbing (MEP) systems to ensure the project's functionality and readiness.

The Operations and Maintenance stage ensures full facility functionality through staff training, operational protocols, and efficient system management. It includes preventive and corrective maintenance to maintain efficiency and address issues promptly, along with refining design documents for construction compliance.

Additionally, there is one component which refers to the project management provided to supervise projects, monitor progress, administer contracts, and supply project control services, procurement management, engineering management, construction management, technical authorities services, risk, quality, and health & safety management.

3.2.2 Sector and customer type

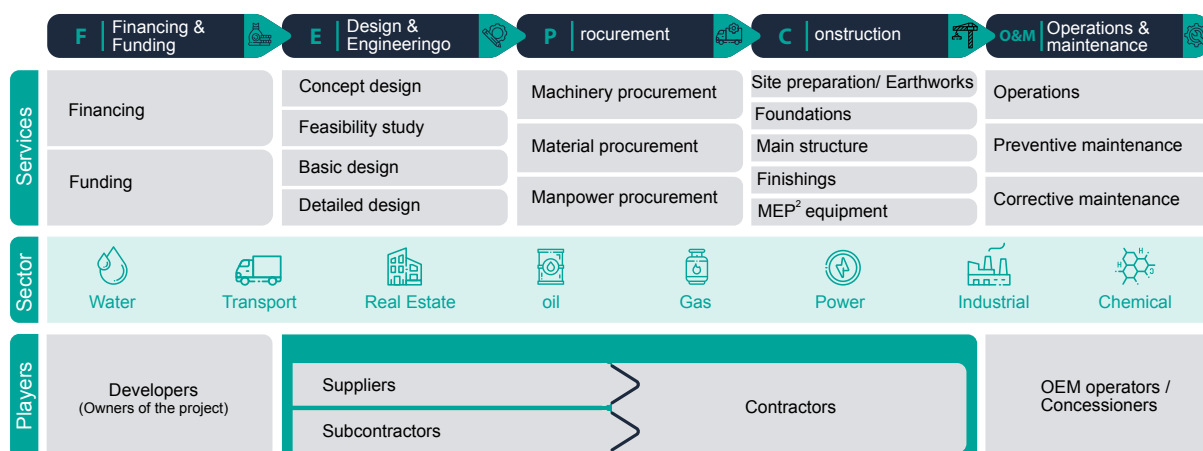
The construction market spans eight key sectors, each addressing critical infrastructure needs. The water sector is vital for public health, encompassing the development of water transmission systems (pumping and piping), irrigation networks, wastewater treatment systems, strategic tanks, and advanced desalination plants, which ensure water security and sustainability.

The transport sector focuses on constructing transportation infrastructure such as roads, bridges, road safety systems, railways, and airports, enhancing connectivity and facilitating the efficient movement of people and goods.

The real estate sector drives urban growth through projects like site development, earthworks, and infrastructure for residential, commercial, and industrial properties, as well as sustainable urban development initiatives. The oil sector constructs extraction and refining facilities, pipelines, and storage tanks, supporting petroleum production and distribution. Similarly, the gas sector focuses on gas extraction, processing, and distribution facilities, ensuring a reliable energy supply. The power sector constructs power generation plants, transmission lines, and distribution networks, ensuring a stable electricity supply.

In the chemical sector, construction involves facilities for chemical production, storage, and distribution, ensuring safe handling and processing. The industrial sector develops factories, manufacturing plants, and warehouses, supporting industrial operations. Each sector plays a vital role in the construction market, contributing to essential infrastructure and services. The following exhibit provides an overview of the project value chain in the construction sector, detailing the key stages from financing to operations and maintenance, along with associated services, sectors, and stakeholders, highlighting the interconnected roles of developers, contractors, suppliers, and operators.

Exhibit 6: Construction sector value chain:



Sources: Kearney analysis

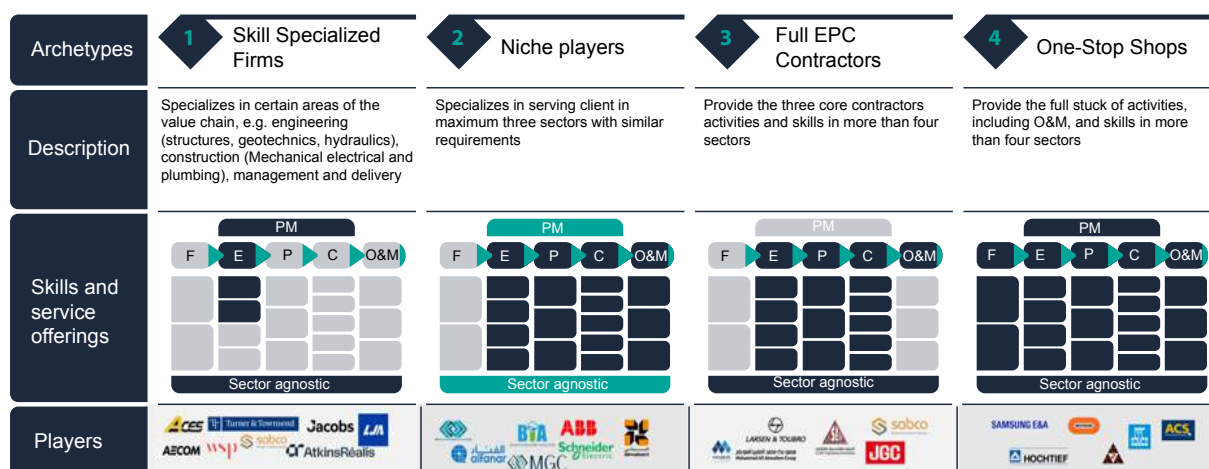
3.2.3 Archetypes and services offered

In the construction industry, players fall into four main archetypes:

- **Skill Specialized** players focus on specific areas of the value chain, such as engineering, construction, and management, with notable companies including ACES, AECOM, and Jacobs.
- **Niche Players** cater to clients in up to three sectors with similar requirements; examples include the Company, Alfanar, and Almagani.
- **Full EPC Contractors** provide core contractor activities and skills across more than four sectors, with companies like Larsen & Toubro and JGC.
- lastly, **One-Stop Shops** offer a full spectrum of activities, including operations and maintenance, in over four sectors, represented by firms like Samsung, and ACS.

The following exhibit categorizes the construction sector players into four distinct archetypes based on their skills, service offerings, and sector focus, highlighting the differentiation between skill-specialized firms, niche players, full EPC contractors, and one-stop shops.

Exhibit 5: Archetypes of Construction Players by Skills, Services, and Sector Focus:



Sources: Expert interviews, Kearney analysis

3.3 Sectors of the Company's operations

3.3.1 Overview of the Company's sectors

The Company's key sectors of focus, water, transport, and real estate are at the forefront of transformative growth across the Kingdom and the broader GCC. These sectors are shaped by ambitious national strategies and substantial investments aimed at addressing regional challenges while fostering economic diversification.

In the water sector, significant opportunities are emerging in Engineering, Procurement, and Construction (EPC) and Operations and Maintenance (O&M) services across transmission, storage, and treatments. Key projects include water transmission systems (pumping and piping), irrigation networks, strategic tanks, advanced desalination plants, and wastewater treatment systems, increasingly incorporating renewable energy solutions. These developments address the region's water security and sustainability priorities while supporting broader environmental goals.

Transport infrastructure is witnessing a surge in modernization and connectivity initiatives, with demand for EPC and O&M services focused on roads, bridges, and road safety systems. National programs such as the Kingdom's National Transport and Logistics Strategy are reshaping the sector, targeting enhanced trade flow, mobility, and positioning the region as a global logistics hub.

In the real estate sector, urban regeneration, and giga-projects, including NEOM and Lusail City, are redefining urban development landscapes. These developments align with the growing demand for mixed-use functionality, sustainability, and affordability, catering to the region's expanding populations and evolving economic activity.

Collectively, these sectors are fundamental to the region's long-term economic and social objectives, driving innovation and fostering resilience across key industries.

3.3.2 Water Sector

Sector Description

The water sector in the Kingdom and the broader GCC is undergoing a significant transformation to address the critical challenge of water scarcity in one of the driest regions in the world. Governments across the region are making substantial investments in desalination, wastewater treatment, and water transmission infrastructure to ensure sustainable water supplies for growing populations and industries.

The Kingdom, through Vision 2030 and the National Water Strategy (NWS 2030), is prioritizing water security by diversifying water sources and adopting advanced technologies. Ensuring continuous access to safe water, improving efficiency in water use, promoting private sector participation in building and operating waste and wastewater infrastructure are among the key strategic objectives of the Kingdom. Other GCC countries, including the UAE, Qatar, Oman, and Kuwait, are implementing strategies focused on renewable energy-powered desalination, innovative wastewater recycling systems, and enhanced strategic water distribution networks.

Efforts across the region are increasingly integrating sustainability, privatization, and technological advancements, positioning the GCC as a global leader in innovative and resilient water management solutions.

Key Trends

The GCC water sector is undergoing a transformative shift towards sustainability and efficiency, driven by innovative approaches and advanced technologies. A key trend is the integration of renewable energy sources, such as solar and wind, to power desalination and water treatment plants, effectively reducing both operational costs and carbon emissions. Additionally, cutting-edge technologies like reverse osmosis, advanced filtration systems, and digital water management platforms are optimizing resource use and enhancing operational efficiency.

Public-private partnerships (PPPs) are playing an increasingly pivotal role in financing and delivering large-scale water infrastructure projects, enabling accelerated progress across the region. Furthermore, the growing focus on water reuse is reshaping resource sustainability; treated wastewater is now being repurposed for agriculture, industrial applications, and municipal needs, reducing strain on freshwater resources and supporting long-term environmental goals.

Key Drivers

The Kingdom's utility sector is undergoing subsidy reforms and restructuring to boost private sector participation and improve sanitation and water security via desalination. Water security has emerged as a critical priority in the GCC, with national strategies aligning closely to address growing demand and sustainability goals. In Saudi Arabia, Vision 2030 is driving extensive investment in water infrastructure, including desalination and wastewater treatment projects, underpinned by the National Water Strategy (NWS 2030), developed by the Ministry of Environment, Water & Agriculture. This strategy emphasizes sustainable water management and supply security. Complementing these efforts, the Saudi Water Partnership Company's 7-year plan outlines an ambitious pipeline of projects, including desalination plants, sewage treatment facilities, tanks, and strategic water distribution.

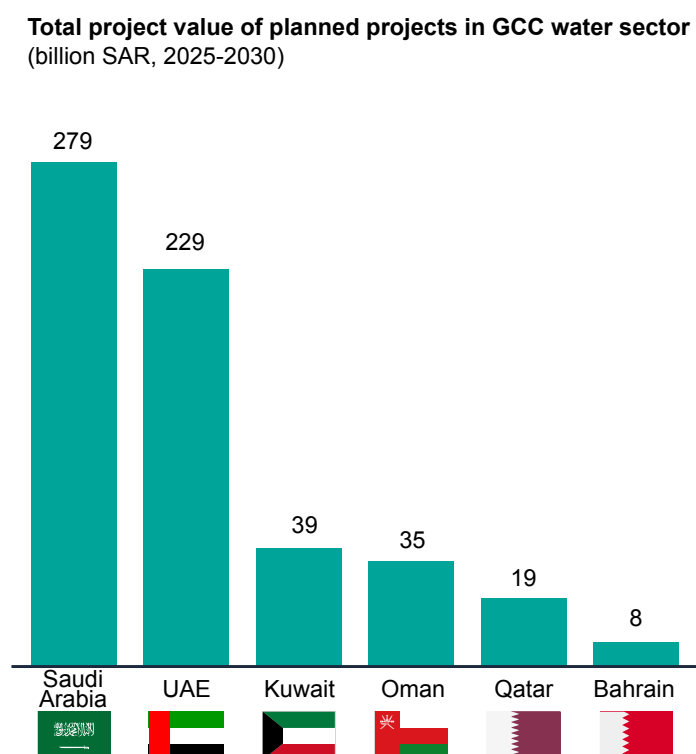
Similarly, other GCC countries have implemented forward-looking initiatives to ensure water security. The UAE Water Security Strategy 2036 prioritizes reducing water demand and increasing reuse, while Qatar National Vision 2030 emphasizes resilient water infrastructure to support urban and industrial expansion. Oman's National Water Resources Management Strategy focuses on long-term sustainability and infrastructure upgrades. Collectively, these national visions and programs aim to address water scarcity while advancing economic diversification and environmental stewardship.

Market Sizing

Investments in water infrastructure are crucial for the arid Gulf region, focusing on ensuring water security and supporting population growth. In 2025G-2030G, the Kingdom plans the largest investment at SAR 279 billion, with the UAE SAR 229 billion and Kuwait SAR 39 billion also making significant contributions. These projects typically include desalination plants and water treatment facilities.

The following exhibit showcases the total project value of planned projects in the GCC water sector, measured in billion SAR for the period 2025G to 2030G, providing a country-wise comparison of investment levels across the region.

Exhibit 7: Total Project Value of Planned Projects (actual projects' pipeline in initial stage, prequalification stage, and forecasted value of new projects) in GCC Water Sector by Country (in Billion SAR, 2025G-2030G):



Sources: MEED report; Kearney analysis

As of historical market size of water sector in the Kingdom, in 2014G-2019G, the water infrastructure received SAR 57 billion, addressing the crucial need for sustainable water supply in the arid region. In 2020G-2025G, the Kingdom's water sector saw a notable surge in water infrastructure, with its investments more than double to SAR 139 billion, signaling a strategic emphasis on water security. In the upcoming time period of 2024G-2030G, the water infrastructure sector will see a substantial increase, with SAR 411 billion earmarked for projects, essential for ensuring sustainable water resources, out of which SAR 279 billion are planned projects with the rest being under ongoing construction.

Key Clients and Projects

The water sector's key clients include both government entities and industrial players. The Water Transmission and Technologies Co. (WTTTCO) is a primary client because it is the exclusive bulk water transmission operator in KSA, linking production plants with end-users, and therefore underpins nearly all new water projects in the Kingdom. The Saudi Water Partnership Company (SWPC) is another critical stakeholder, managing large-scale water infrastructure projects and facilitating public-private partnerships (PPPs). The Saline Water Conversion Corporation (SWCC) is a leading entity in desalination, operating some of the largest plants in the world. NEOM, one of the Kingdom's flagship mega-projects, is a major client due to its significant water requirements for urban expansion and renewable energy projects. Additionally, the Ministry of Environment, Water & Agriculture is a key client, driving the implementation of the National Water Strategy and overseeing sectoral policy and planning.

The water sector in Saudi Arabia is witnessing substantial investments in large-scale infrastructure projects aimed at improving water supply, treatment, and sustainability: the Alshuqaiq to Jizan Water Transmission System: Phase 4, valued at SAR 2.96 billion and expected to be awarded in 2025G by the Water Transmission and Technologies Company, the project will ensure reliable water supply to key urban areas in southern Saudi Arabia. The Riyadh-Qassim Independent Water Transmission Pipeline, valued at SAR 1.97 billion, focuses on water security and expected to be awarded by Saudi Water Partnership Company in 2025G. Additionally, the Southern Eastern Province Water Transmission Pipeline, valued at SAR 1.46 billion, aims to expand potable water supply capacity to meet growing demand in the region, expected to be awarded in 2027G also by WTTTCO. Another significant project is NEOM City: Oxagon Undersea Utility Tunnel with expected award in 2025G, worth SAR 1.35 billion, aligning with NEOM's sustainability goals by integrating advanced water recycling technologies into the futuristic industrial hub.

In the UAE, Dubai Municipality is a key player, overseeing water supply management, wastewater treatment, and drainage infrastructure to ensure sustainable urban services. Large-scale projects like Nad Al Sheba 3 network and 'Tasreef' stormwater project, which use extensive tunneling and advanced pumping technology to increase capacity and improve efficiency, can serve as a benchmark for a sustainable urban water management in Saudi Arabia and GCC. Qatar's Public Works Authority (Ashghal) is responsible for developing and maintaining water and wastewater infrastructure, including advanced sewage treatment plants and recycling systems that support the country's urbanization and sustainability goals.

Key Players

The water sector in the GCC is supported by a mix of international and local companies specializing in Engineering, Procurement, and Construction (EPC) and Operation and Maintenance (O&M) services. Among the top local EPC contractors, Al-Rashid Trading & Contracting is delivering large-scale water transmission systems and treatment facilities. Alkhorayef Water and Power Technologies (AWPT) is a Saudi integrated water and power infrastructure company that provides EPC and holds significant market share in O&M services, with dozens of contracts for water and wastewater plants across 30+ cities in the Kingdom. Mapa Insaat, Turkish EPC operating globally, has been active in the Kingdom for over a decade, working closely with SWCC and SWPC on major transmission and storage projects.

Metito focuses on wastewater treatment and water reuse, delivering projects across urban and industrial sectors in the GCC. Doosan Heavy Industries & Construction has established a significant presence in desalination projects, including the Ras Al Khair Plant in Saudi Arabia. The Company delivers EPC and O&M services for water transmission lines and wastewater treatment plants, supporting various government projects under Vision 2030, like the 108 km Water Transmission Line in NEOM and Treated Water Transmission System in Waad Al Shamal Industrial City. Local firms such as Alfanoor and Nesma & Partners contribute to water infrastructure projects, offering EPC capabilities for transmission and distribution systems.

3.3.3 Transport Sector

Sector Description

The transport sector in Saudi Arabia and the broader GCC is undergoing a profound transformation as governments work to position the region as a global hub for logistics and connectivity. Significant investments in aviation, rail, road, and maritime infrastructure are driving trade, tourism, and economic diversification across the region.

Saudi Arabia, through its National Transport and Logistics Strategy (NTLS), is advancing the integration of multimodal transport networks, enhancing connectivity and efficiency. Other GCC countries are also pursuing ambitious plans, with the UAE leading in aviation and logistics through world-class hubs like Dubai International Airport and Jebel Ali Port. Qatar and Oman are prioritizing the modernization of urban mobility and logistics infrastructure to support economic growth and urban development.

Collectively, these initiatives are redefining the region's transport landscape, establishing the GCC as a global leader in logistics and connectivity.

Key Trends

The GCC transport sector is evolving rapidly, shaped by regional integration, sustainability, and technological advancements. Projects like the GCC Railway Network are set to enhance cross-border trade and passenger mobility, fostering regional connectivity. Sustainability is a key focus, with growing adoption of electric vehicles (EVs), green logistics solutions, and renewable energy integration transforming the transportation landscape.

Technological innovation is driving smart infrastructure development, including autonomous transport systems, intelligent traffic management, and digital freight solutions, all of which are boosting efficiency and competitiveness. At the same time, enhancing passenger experience remains a top priority. Investments in high-speed rail systems, metro networks, and airport expansions are improving urban mobility and intercity connectivity, positioning the region as a leader in modern transport solutions.

Key Drivers

The logistics sector in the GCC is a cornerstone of regional development, driven by strategic frameworks that align transport infrastructure with economic and social goals. In the Kingdom, the National Transport and Logistics Strategy (NTLS), developed by the Ministry of Transport and Logistics, aims to position the Kingdom as a global logistics hub by enhancing connectivity across local, regional, and international networks. Complementing this, the Road Sector Strategy by the Roads General Authority focuses on improving road quality, optimizing traffic flow, ensuring safety, and fostering private sector participation.

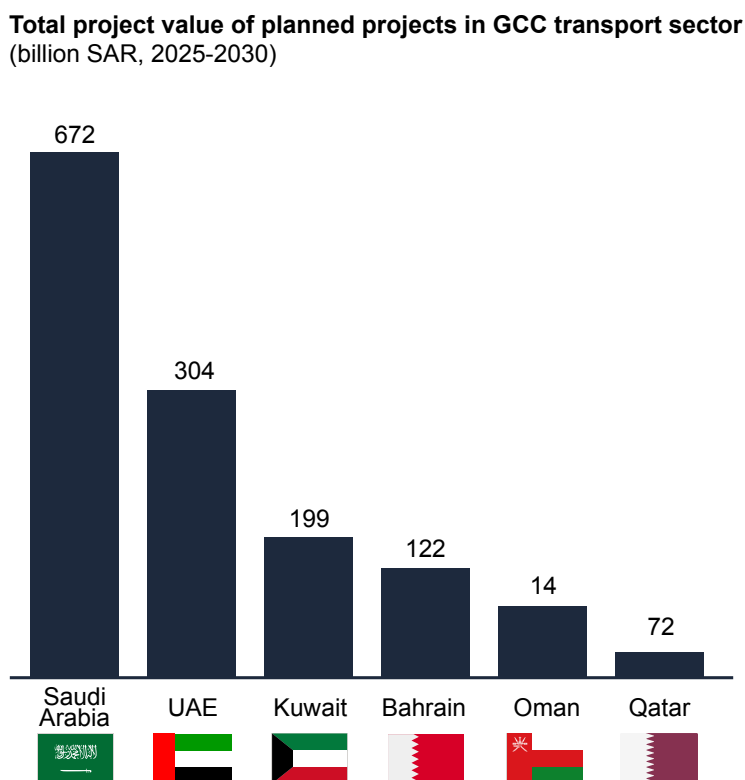
Similarly, other GCC nations have prioritized advanced logistics and transport systems. The UAE's Abu Dhabi Economic Vision 2030 and Dubai 2040 Urban Master Plan emphasize world-class infrastructure to support trade, tourism, and urban expansion. Qatar National Vision 2030 highlights rail and metro systems as pillars of sustainable urban mobility, while Oman Logistics Strategy 2040 focuses on upgrading ports, airports, and roads to boost competitiveness. Together, these frameworks reflect a shared commitment to integrating logistics development with broader economic and sustainability objectives.

Market Sizing

Transport infrastructure investments are critical for enhancing connectivity and supporting economic activities. The Kingdom has the largest planned investment at SAR 672 billion, including major projects in roads, rail, and air transport. The UAE SAR 304 billion and Qatar SAR 199 billion are also investing significantly, reflecting their roles as regional transport hubs.

The following exhibit highlights the total project value of planned projects in the GCC transport sector, measured in billion SAR for the period 2025G to 2030G, offering a comparative analysis of investments by country across the region.

Exhibit 8: Total Project Value of Planned Projects (actual projects' pipeline in initial stage, prequalification stage, and forecasted value of new projects) in GCC Transport Sector by Country (in Billion SAR, 2025G-2030G):



Sources: MEED report; Kearney analysis

The transport sector represents a significant portion of Saudi Arabia's infrastructure market, with major allocations under Vision 2030 and the NTLS driving its expansion. As of historical Kingdom transport sector market size, in 2014G-2019G, the transport sector, received SAR 252 billion, in the next five years from 2020G to 2024G, the transport sector saw a slight decrease in investment to SAR 234 billion, as existing projects continued to develop. In the upcoming years from 2025G to 2030G, expected size of the transport sector investments is SAR 940 billion, aimed at enhancing regional connectivity and supporting economic diversification with SAR 672 billion accounting for planned projects and the rest being under ongoing construction.

Key Clients and Projects

In the transport sector, Saudi Arabia is undertaking high-value projects to expand and modernize its transportation infrastructure. The most notable is The King Abdulaziz International Airport's new Terminal 2 in Jeddah, valued at SAR 10 billion will be awarded in 2027G by Jeddah Airport Company, the project will further contribute to Saudi Arabia's aviation growth. There are two key rail projects in the Kingdom including, the Riyadh Metro Line 7 (SAR 8 billion), a rail line connecting different areas in Riyadh, expected to be awarded by Royal Commission for Riyadh City in 2025G and the Land Bridge, a SAR 4.5 billion rail line connecting Riyadh to Jeddah, expected to be awarded 2026G by Saudi Arabia Railways. These projects aim to improve passenger mobility and streamline cargo transport between key cities; while also underscoring the Kingdom's National Transport and Logistics Strategy to transform the Kingdom into a global logistics hub, increasing the share of the transport/logistics sector in GDP up to 10%.

In the UAE, Etihad Rail is the UAE's national railway network, connecting cities, ports, and industrial hubs to enhance trade, logistics, and sustainable transportation across the country and the wider GCC. Also, Dubai Roads and Transport Authority (RTA) drives urban mobility projects, including metro and tram expansions, while also piloting innovative technologies like autonomous vehicles. Kuwait's Directorate General of Civil Aviation (DGCA) focuses on regulating civil aviation and managing Kuwait International Airport. In Qatar, QRAIL leads the development and operation of the national rail network, including the Doha Metro and long-distance projects.

Key Players

The transport sector in the GCC features companies engaged across various subsectors, including rail, road, aviation, and maritime. China Railway Construction Corporation (CRCC) is a key contractor for rail projects, contributing to the development of the GCC Railway Network and the Saudi Land Bridge. Bechtel provides EPC services for large-scale transport infrastructure, including rail systems, highways, and airports.

In road infrastructure, Hyundai Engineering & Construction and Larsen & Toubro (L&T) are involved in major expressway projects, focusing on road upgrades and smart road solutions. The Company also contributes to road construction projects in Saudi Arabia, including expressways and urban road networks under the National Transport and Logistics Strategy. The Binladin Group undertakes highway and bridge construction projects, contributing to the expansion of GCC road infrastructure.

In aviation, Fraport AG provides airport management and O&M services, supporting operations at facilities such as King Abdulaziz International Airport in Jeddah. DP World, headquartered in the UAE, is a significant player in maritime infrastructure, managing key ports including Jebel Ali Port and contributing to the region's logistics capacity.

3.3.4 Real Estate Sector

Sector Description

The real estate sector in Saudi Arabia is experiencing a transformative growth, playing a central role in the Kingdom's economic diversification under Vision 2030. From large-scale residential developments to urban regeneration initiatives, the sector is addressing diverse market needs while driving modernization and economic progress.

At the forefront of this transformation is Vision 2030 Housing Program, which aims to make homeownership more accessible through initiatives like the Sakani Program, offering financing solutions and incentives. Complementing these efforts, the PIF is leading giga-projects, such as ROSHN and Saudi Downtown, which focus on creating integrated mixed-use developments that combine residential, commercial, and leisure spaces. These projects prioritize sustainability, innovation, and livability, reflecting a forward-looking approach to urban planning.

The sector's evolution is further propelled by the adoption of advanced construction technologies, such as modular construction and smart city solutions, enhancing efficiency and sustainability. As the Kingdom continues to improve urban living standards and attract international investors, the real estate sector is cementing its position as a cornerstone of the Kingdom's economic transformation and long-term growth.

Key Trends

The GCC real estate sector is undergoing a transformation driven by ambitious projects and evolving market demands. Landmark developments like NEOM in Saudi Arabia and Lusail City in Qatar are redefining urban living with integrated, smart, and sustainable designs that set new standards for modern cities. Affordable housing initiatives are gaining momentum, targeting middle-income families to promote homeownership and meet growing demand across the region.

Sustainability and smart city technologies are becoming integral to new developments, with green buildings and renewable energy integration leading the way. Tourism-driven projects are also prominent, featuring mixed-use developments tailored to hospitality and leisure markets. Additionally, urban regeneration initiatives are revitalizing aging neighborhoods, creating vibrant, livable communities that blend heritage with modernity. Together, these trends underscore the sector's focus on innovation, inclusivity and long-term sustainability.

Key Drivers

The real estate sector in the GCC is experiencing rapid growth, driven by ambitious national visions and targeted development programs. In the Kingdom, Vision 2030 is reshaping the market with initiatives like the Housing Program, which aims to increase homeownership to 70% by 2030G. Under the Supply Maturity Strategic Pillar, the Ministry of Municipalities Rural Affairs and Housing is enhancing private sector engagement, increasing land availability, and promoting innovative partnerships and advanced building technologies. The Sakani Program further supports this growth by offering financial solutions to facilitate affordable housing for 3.4 million users.

Tourism is another key driver of the Kingdom's real estate expansion, supported by large-scale infrastructure projects, government investment incentives, and public-private partnerships. The National Tourism Strategy (NTS), spearheaded by the Ministry of Tourism, focuses on economic growth through investments in hospitality, cultural,

and infrastructure projects. Notably, the Hospitality Investments Enablers initiative aims to deliver 42,000 new hotel rooms and attract SAR 42 billion in investments by 2030G.

Across the region, other GCC countries are implementing transformative strategies. The UAE's Dubai 2040 Urban Master Plan emphasizes sustainable and livable urban environments, while Qatar National Vision 2030 promotes mixed-use and energy-efficient developments. Oman Vision 2040 and Kuwait Vision 2035 prioritize affordable housing and smart city initiatives to enhance quality of life. Together, these initiatives align real estate development with national economic and social objectives, ensuring long-term growth and sustainability.

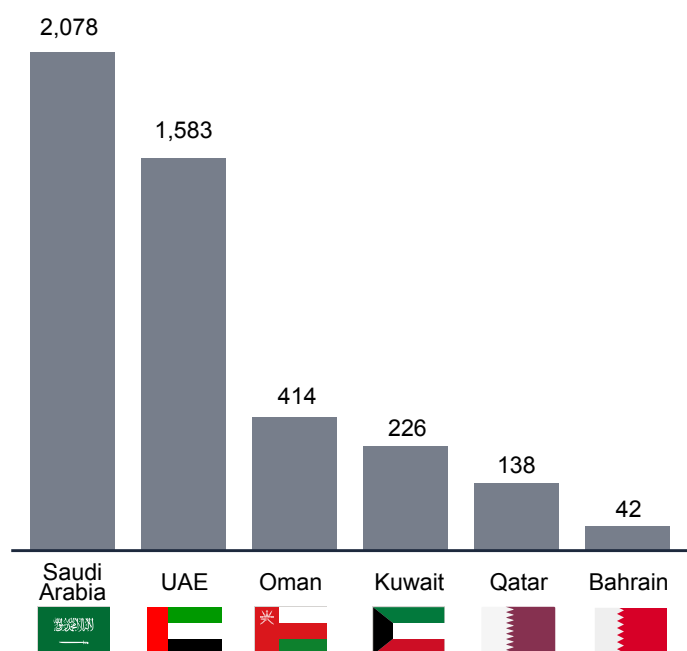
Market Sizing

Real estate is a major area of planned investment, especially in the Kingdom, which leads with SAR 2,078 billion, likely driven by urban development and housing projects. The UAE (SAR 1,583 billion) continues to expand its luxury real estate market, while Kuwait (SAR 226 billion) and Oman (SAR 414 billion) focus on addressing residential needs and urban expansion.

The following exhibit illustrates the total project value of planned projects in the GCC real estate sector, measured in billion SAR for the period 2025G to 2030G, presenting a country-level breakdown of anticipated investments in this sector.

Exhibit 9: Total Project Value of Planned Projects (actual projects' pipeline in initial stage, prequalification stage, and forecasted value of new projects) in GCC Real Estate Sector by Country (in Billion SAR, 2025G-2030G):

Total project value of planned projects in GCC real estate sector
(billion SAR, 2025-2030)



Sources: MEED report; Kearney analysis

Historically, the Kingdom real estate sector saw substantial investments, totaling SAR 447 billion in 2014G-2019G, as urban expansion projects began to take shape. In 2020G-2024G real estate investments in the Kingdom nearly doubled to SAR 1,052 billion, reflecting the Kingdom's push to develop new urban centers and housing projects. In 2025G-2030G, real estate in the Kingdom is expected to be the largest sector for EPC and O&M services, leading with a staggering SAR 3,252 billion in planned and ongoing projects, underpinning large-scale developments such as NEOM and other new urban initiatives. Planned projects in 2025G-2030G will account for SAR 2,078 billion with the rest being projects under ongoing construction.

Key Clients and Projects

The real estate sector in Saudi Arabia continues to grow with large-scale projects planned for the period 2025G-2030G. The North Pole Development by the PIF is now valued at SAR 10.0 billion to be awarded in 2026G, it is positioned as a key urban expansion project. In NEOM, there are two key projects, the Oxagon AI Data Center Campus (DataVolt/NEOM) valued at SAR 10.0 billion awarded in 2027G and the Community Villages: Wave 2 project valued at SAR 8.0 billion to be awarded in 2026G, aligning with the city's vision of futuristic, technology-driven agenda and sustainable urban living.

Additional notable projects by the Ministry of Defense (and United States Army Corps of Engineers), under the P-563 Programme, are the Ministry of Defense Headquarters Building (SAR 9.4 billion), to be awarded in 2025G and the New Military City (SAR 7.1 billion) to be awarded 2026G, will establish a modern headquarters to centralize operations. The projects focus on developing modern infrastructure for military operations and residential support.

The Red Sea Global Phase 2 is a key ongoing project, valued at SAR 6.6 billion and to be awarded in 2026G. Other significant projects include the AI Data Center Factory (by Humain under PIF/Nvidia) and the Dhahiya Khozam Business Center by National Housing Company each valued at SAR 5 billion to be awarded in 2025G. These projects highlight the importance of boosting tourism, supporting commercial activities, and enhancing technological infrastructure across the region.

In the UAE, Group 42 is expanding into real estate through digital infrastructure developments, delivering data center campuses and AI-enabled facilities that form the backbone of next-generation smart cities. Azizi Developments is a leading private developer in Dubai, driving large-scale residential and mixed-use communities such as Riviera in Mohammed Bin Rashid City and Mina on Palm Jumeirah. Miral spearheads Abu Dhabi's destination real estate, creating integrated tourism and lifestyle hubs including Yas Island, Warner Bros. World, and the upcoming Disney Theme Park.

Key Players

The real estate sector in the GCC is driven by companies delivering residential, commercial, and mixed-use developments. Emaar Properties is a prominent developer in the UAE, responsible for projects such as Downtown Dubai and Dubai Creek Harbour. Aldar Properties leads development in Abu Dhabi with projects such as Al Raha Beach and Saadiyat Grove.

In Saudi Arabia, Dar Al-Arkan focuses on high-end residential and commercial projects, while Al Akaria develops large-scale mixed-use properties aligned with Vision 2030. The Company provides construction and infrastructure services for housing and urban development projects, supporting initiatives like ROSHN and Jeddah Central. International EPC firms such as Shapoorji Pallonji and Arabtec Holding are active in the construction of high-rise and commercial buildings across the region.

In project management and consultancy, Dar Al-Handasah and AECOM support mega-developments such as NEOM and Lusail City, delivering design and sustainability solutions. Companies such as Jones Lang LaSalle (JLL) and CBRE offer property management and real estate advisory services for large-scale developments in the GCC. These firms contribute to the planning, construction, and management of urban infrastructure across the region.

3.4 Global and regional context for the EPC and O&M markets

3.4.1 Global context for the EPC and O&M markets

The engineering, procurement, and construction (EPC) sector is traditionally a capital-intensive industry with long project cycles, but it is now undergoing a rapid transformation driven by a confluence of global trends. Six major macro trends³ are driving demand in the construction industry globally:

- **urbanization and population growth:** The growing need for housing, services, and infrastructure is evident in initiatives such as China's new cities and high-speed rail networks as well as India's extensive housing projects.
- **globalization and trade:** The modernization and expansion of trade facilities are critical to support global commerce. Examples include the development of the Port of Rotterdam and the expansion of Qatar's airports.

³ Mordor Intelligence, The Business Research Company, Fitch Solutions, desk research

- **digitalization and smart infrastructure:** Integrating technologies such as IoT, AI, BIM and predictive analytics into construction and urban planning improves quality, reduces costs through productivity gain. More than one-third of companies are already using digital technologies in selected areas, while broader adoption requires overcoming key challenges, including insufficient economies of scale, lower interoperability, limited data governance and high cybersecurity risks. Singapore's smart city initiatives and Barcelona's IoT-based traffic management systems exemplify this trend.
- **sustainability:** There is a growing focus on green buildings and renewable projects. Copenhagen aims to be the world's first carbon-neutral capital, while Sydney's Barangaroo project showcases sustainable urban renewal practices.
- **climate change adaptation:** The need for resilient infrastructure is increasing due to climate change. The Netherlands' flood defenses and Australia's development of heat-resistant building materials are key examples.
- **energy security:** Investments in renewable energy, energy storage, and grid modernization are critical. The United Kingdom's offshore wind farms and Australia's energy storage projects, such as Tesla's battery installations, illustrate these efforts.

These trends are fueling industry growth as they necessitate significant investments to mitigate their impacts. Additionally, factors⁽⁴⁾ in three areas are elevating demand:

- **government initiatives:** Programs such as the European Green Deal and China's Belt and Road Initiative are promoting sustainable infrastructure projects.
- **private-sector investments:** Public-private partnerships (PPPs) enhance project timelines and quality, as seen in Brazil's toll roads and India's renewable energy projects.
- **aging infrastructure:** Developed countries face significant investment needs for maintenance and upgrades, ensuring reliability and efficiency. This is exemplified by London's water supply systems and the rehabilitation of Germany's railway network.

These efforts not only address immediate needs but also aim to boost economic growth and provide long-term societal benefits.

3.4.2 Regional context for the EPC and O&M markets

The GCC EPC sector, historically a cornerstone of the region's economic growth, is experiencing a period of rapid evolution, driven by ambitious infrastructure development plans and a growing emphasis on diversification. Specifically, the construction market in the GCC is influenced by a variety of factors⁽⁵⁾:

- **economic diversification:** Countries such as the Kingdom and the UAE are heavily investing in the non-oil sector to mitigate economic risks and reduce dependency on natural resources. This shift aims to create a more stable and diverse economic base.
- **strategic initiatives:** Programs such as the Kingdom's Vision 2030 are driving large-scale infrastructure and urban development projects. These initiatives focus on reducing oil dependence, promoting sustainable development, and enhancing economic growth.
- **high urbanization rates⁽⁶⁾:** With 85% of the GCC population living in urban areas and projections indicating a rise to 90% by 2050G, there is a significant demand for optimized urban spaces. This urbanization trend is essential for improving quality of life and boosting productivity in the region.
- **mega projects and events:** High-profile projects such as NEOM in the Kingdom, Expo 2020G in Dubai, and Lusail City in Qatar are not only driving construction activity but also contributing to economic diversification. Additionally, hosting major events such as the FIFA World Cup 2022G in Qatar and Expo 2020G in Dubai has accelerated infrastructure development. Future events, including Expo 2030 in Riyadh and the Asian Winter Games in Trojena in 2029G, are expected to continue promoting economic growth and enhancing the GCC's global recognition.
- **evolving global regulatory landscape:** The global shift towards stricter regulations emphasizes sustainability, resilience, and digital adoption. International agreements, such as the Paris Agreement, are pushing for significant reductions in greenhouse gas emissions, leading to more stringent environmental regulations worldwide. These changes necessitate the incorporation of sustainable practices in infrastructure projects to reduce carbon footprints.

⁴ Mordor Intelligence, The Business Research Company, Fitch Solutions, desk research

⁵ Mordor Intelligence, Fitch Solutions, MEED, desk research

⁶ PwC "Middle East Megatrends: Transforming our region"

- **green building standards and renewable energy integration:** Standards such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Methodology (BREEAM) are increasingly being adopted, promoting energy efficiency, resource conservation, and sustainable design in construction. Governments are also encouraging renewable energy integration by offering incentives for solar, wind, and other renewable sources in new developments.
- **smart technologies in infrastructure:** Regulatory frameworks are now promoting the use of smart technologies, including IoT, big data analytics, and AI. These technologies are crucial for enhancing the efficiency, safety, and sustainability of infrastructure projects, aligning with the region's broader goals of modernization and innovation.

3.5 The Kingdom overview: attractive investment location

3.5.1 The Kingdom macroeconomic assessment

With a real gross domestic product (GDP) of about SAR 4.7 trillion in 2024G, the Kingdom is the largest economy in the GCC. It is projected to grow at a 3.9% compound annual growth rate (CAGR) until 2030G to reach SAR 5.9 trillion, compared with a 2.5% growth for the rest of the world. The oil sector is the largest contributor to the national economy (28% in 2023G), but the country is focusing on increasing non-oil contributions as part of Vision 2030. Thus, several initiatives were developed, including expanding the contribution of small and medium-size enterprises (SMEs)' GDP, improving the Kingdom's Global Competitiveness Index rating, and encouraging more foreign direct investments. From 2018G to 2022G, those initiatives translated into a GDP CAGR of 6.2% for finance, insurance, and business services and 3.5% for wholesale and retail trade along with hospitality, compared with -0.6% for crude petroleum and natural gas activities.⁽⁷⁾

The following table provides an overview of the real GDP performance across GCC countries from 2018G to 2030G, including compound annual growth rates (CAGR) for both historical and forecasted periods, highlighting key trends in economic growth and sectoral contributions.

Table 3.1: Real GDP Performance and Projections for GCC Countries (in Trillion SAR, 2018G-2030G):

KPI	UoM	2018G	2019G	2020G	2021G	2022G	2023G	2024G	2030G	CAGR (2018G – 2024G)	CAGR (2025G – 2030G)
The Kingdom real GDP	trillion SAR	3.90	3.96	3.81	4.06	4.54	4.57	4.66	5.85	3.0%	3.9%
The Kingdom oil share of GDP	(% of GDP)	36%	34%	33%	32%	33%	30%	28%	NA	(1.5%)	NA
The Kingdom non-oil share of GDP		64%	66%	67%	68%	67%	70%	72%		5.2%	
Bahrain real GDP	trillion SAR	0.13	0.14	0.13	0.13	0.14	0.15	0.15	0.17	2.4%	2.1%
Oman real GDP		0.34	0.34	0.33	0.34	0.36	0.37	0.37	0.42	1.4%	2.1%
Kuwait real GDP		0.52	0.53	0.51	0.52	0.51	0.54	0.53	0.61	0.3%	2.4%
Qatar real GDP		0.69	0.69	0.67	0.68	0.71	0.72	0.73	0.89	0.9%	3.4%
United Arab Emirates real GDP		1.62	1.62	1.49	1.56	1.67	1.74	1.81	2.22	1.9%	3.5%

Sources: Oxford Economics, GASTAT

⁷ The Kingdom General Authority for Statistics (GASTAT)

Furthermore, in line with the Kingdom's ongoing transformation, the real disposable income per capita (adjusted to inflation) grew at a CAGR of 4.3% from 2018G to 2023G. In parallel, the mid- to high-income household group grew from 45% to 55%.

The following table highlights the trends in household personal disposable income and income band distribution in the GCC from 2018G to 2023G, showcasing the growth of personal income and shifts in the population's income segmentation across low, mid, and high-income bands.

Table 3.2: Household Personal Disposable Income Band Distribution in GCC (2018G-2023G):

KPI	UoM	2018G	2019G	2020G	2021G	2022G	2023G	CAGR (2018G – 2023G)
Household personal disposable income	thousand SAR	170	189	181	207	202	210	4.3%
Low-income household band	% of total population	55%	50%	52%	45%	47%	45%	(3.9%)
Mid-income household band		28%	29%	29%	30%	30%	31%	2.1%
High-income household band		17%	21%	19%	24%	23%	25%	8.0%

Sources: Oxford Economics, GASTAT

The Kingdom as well as broader GCC region have been experiencing a moderate inflation environment and anticipates the same, which could support economic stability and predictability. On the other hand, lower oil prices and regulatory delays may lead to execution being shifted forward. However, the water sector has continued to grow steadily even during periods of softer crude prices, reflecting its position as a critical infrastructure priority. As a result, the Company-given its focus on water and balanced portfolio of clients (i.e., public, semi-public and PPPs)-is expected to be less exposed to such shifts, with the sector historically demonstrating resilience.

The following table outlines the inflation rates across GCC countries from 2018G to 2023G and projected for 2030G, along with compound annual growth rates (CAGR) for both historical and forecasted periods, highlighting fluctuations in price levels and inflation trends across the region.

Table 3.3: Inflation Rates Across GCC Countries (% , 2018G-2030G):

KPI	UoM	2018G	2019G	2020G	2021G	2022G	2023G	2024G	2030G	CAGR (2018G – 2024G)	CAGR (2025G – 2030G)
The Kingdom inflation rate	Annual % change	2.5%	(2.1%)	3.4%	3.1%	2.5%	2.3%	1.7%	2.0%	(6.2%)	(2.7%)
Bahrain inflation rate		2.1%	1.0%	(2.3%)	(0.6%)	3.6%	0.1%	0.9%	2.0%	(13.2%)	14.2%
Oman inflation rate		0.7%	0.5%	(0.4%)	1.7%	2.5%	1.0%	0.6%	2.0%	(2.5)%	22.2%
Kuwait inflation rate		0.6%	1.1%	2.1%	3.4%	4.0%	3.6%	2.9%	1.7%	30%	(8.5%)
Qatar inflation rate		0.1%	(0.9%)	(2.5%)	2.3%	5.0%	3.1%	1.1%	2.0%	49%	(10.5%)
United Arab Emirates inflation rate		3.1%	(1.9%)	(2.1%)	(0.1%)	4.8%	1.6%	1.7%	2.0%	(12.4%)	3.2%

Source: International Monetary Fund (IMF)

The Kingdom is the largest country in the GCC, covering an area of 2.1 million square kilometers. The Kingdom also leads in population with 35.3 million people (58% of the total GCC population in 2024G) and is expected to continue outpacing regional growth through the end of the decade (60% of the total GCC population in 2030G). The Kingdom has a very young population; in fact, more than 65% is 34 years old or younger. The population is scattered across 13 regions with more than half of it concentrated in Riyadh and Makkah provinces.

With over 2.5 million workers, the construction sector is among the largest employers in Saudi Arabia's labor market. While the majority of workers in the sector are foreign nationals; they fall into the category of blue-collar construction workers. Hence, the impact of Saudization requirements, that are predominantly applicable for senior and technical roles - e.g., Project Managers, Engineers, and Accountants, is expected to continue being limited.

The following table presents the population trends across GCC countries from 2018G to 2024G and projected for 2030G, including the Saudi population's share and non-Saudi population's share within the Kingdom, along with compound annual growth rates (CAGR) for both historical and forecasted periods, highlighting demographic shifts and growth dynamics.

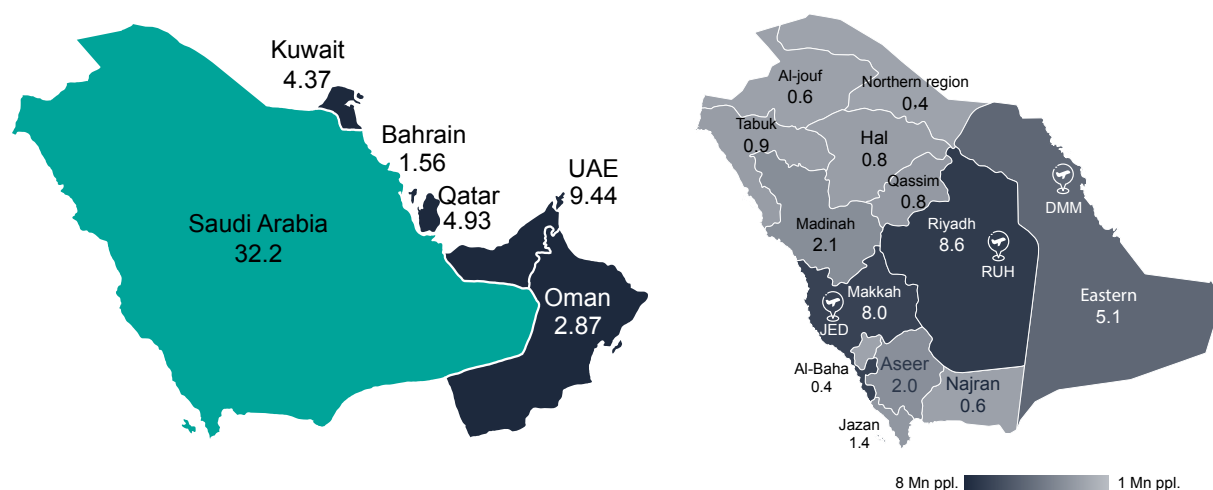
Table 3.4: Population Trends and Projections for GCC Countries (in Million People, 2018G-2030G):

KPI	UoM	2018G	2019G	2020G	2021G	2022G	2023G	2024G	2030G	CAGR (2018G – 2023G)	CAGR (2023G – 2030G)
The Kingdom population	Mn people	30.2	30.1	31.6	30.8	32.2	33.8	35.3	41.4	2.6%	2.7%
Saudi population share	(% of population)	57%	58%	57%	60%	58%	57%	56%	NA	2.3%	NA
Non-Saudi population share		43%	42%	43%	40%	42%	43%	44%		3.1%	
Bahrain population	Mn people	1.50	1.48	1.47	1.50	1.56	1.57	1.62	1.78	1.31%	1.44%
Oman population		4.60	4.60	4.54	4.53	4.93	5.18	5.27	6.11	2.29%	2.4%
Kuwait population		4.32	4.44	4.36	4.25	4.27	4.31	4.93	5.32	2.24%	1.76%
Qatar population		2.77	2.81	2.76	2.69	2.87	2.90	3.05	3.33	1.61%	1.56%
United Arab Emirates population		9.14	9.21	9.29	9.37	9.44	9.52	11.03	12.19	3.18%	2.43%

Sources: Oxford Economics, GASTAT

The following exhibits illustrate population distribution across the GCC and within the Kingdom. The left exhibit highlights the population size of GCC countries in 2022G in million people, emphasizing the relative demographic sizes of each member state. The right exhibit provides a detailed regional breakdown of the Kingdom's population, showcasing the distribution across the Kingdom's regions in million people.

Exhibit 10: Population Distribution Across GCC Countries and Saudi Arabia by Region (in Million People, 2022G):



Sources: Oxford Economics, GASTAT

3.5.2 The Kingdom EPC and O&M market drivers⁽⁸⁾

The Kingdom's Vision 2030 is an ambitious roadmap aimed at diversifying the economy, enhancing global engagement, and improving the quality of life. The vision focuses on creating a vibrant society, a thriving economy, and an ambitious nation. Key goals include raising the country's Social Capital Index ranking, positioning three of the Kingdom cities among the top 100 globally, and expanding the capacity to welcome Umrah visitors.

The plan aims to build an ambitious nation by engaging citizens, ensuring efficient government spending, and fostering a more impactful non-profit sector. Specific objectives include increasing the non-profit sector's GDP contribution, enhancing non-oil government revenue, and improving the Government Effectiveness Index ranking.

These comprehensive efforts are transforming the Kingdom's economic landscape, driving demand across various construction sectors. Giga projects and major events are fueling demand for EPC services.

This vision encompasses a range of vision realization programs that are spurring growth in the construction sector, expanding the demand for EPC services at the same time driving demand for O&M across several sectors:

- **water resource management:** Addressing water scarcity through projects focused on reducing demand and wastage, optimizing usage, and increasing supply and storage, including investments in desalination plants and strategic storage facilities.
- **logistics enhancement:** A master plan for logistics centers aims to improve connectivity and efficiency in trade and transport networks, supported by significant investments in development and operational projects.
- **real estate expansion:** Housing sector is experiencing rapid growth with projects that focus on affordable, sustainable housing to increase homeownership to 70% by 2030G, enhancing urban quality of life and meeting the demands of a young, expanding population.
- **tourism development:** The development of new tourist destinations such as Al Rayes White Head Beach and enhancements to major tourist hubs in Riyadh, Jeddah, Taif, and Dammam aim to boost tourism, a crucial component of the country's diversification strategy.
- **energy sector strengthening:** The focus is on enhancing electricity infrastructure, expanding renewable energy capacities, and increasing gas production. Notable projects include solar power plants in Jeddah, Rabigh, and Sudair, aligning with broader goals of energy diversification and sustainability.
- **industrial localization:** The strategy involves localizing manufacturing, including a target to produce 280,000 cars annually and 50% local production of military and security equipment. Special economic zones and the rehabilitation of economic cities are central to fostering industrial growth and technological advancement.

The demand for EPC and O&M within each sector is driven by numerous strategies and projects which are illustrated below.

Water sector

The Kingdom's Vision 2030 targets on water security are driving extensive construction of new water infrastructure, including desalination and wastewater treatment projects. The National Water Strategy (NWS 2030), developed by the Ministry of Environment, Water & Agriculture, focuses on sustainable water management and supply security. Complementing this, the 7-year plan by the Saudi Water Partnership Company outlines projects involving desalination plants, sewage treatment facilities, tanks, and strategic water distribution.

Key projects include the Alkhafji Plant, the world's largest solar-powered water desalination facility, which can produce up to 90,000 square meters of clean water daily. The Rabigh Plant features an experimental desalination process using crystalline absorption cooling technology to generate clean water and crystallized salt. Additionally, the SAR 9 billion Buraydah Independent Water Transmission Line (IWTL) will have a capacity of 650,000 square meters to enhance water distribution.

O&M services will be required to manage and optimize desalination and wastewater treatment plants, ensuring a stable and safe water supply, efficient wastewater processing, and compliance with environmental regulations.

⁸ Saudi Vision 2030 (National Industrial Development and Logistics Program, Quality of Life Program, National Transformation Program), MEED

Logistics sector

The logistics sector in the Kingdom is driving significant construction efforts through the National Transport and Logistics Strategy (NTLS), which aims to establish the Kingdom as a global logistics hub. Developed by the Ministry of Transport and Logistics, the NTLS enhances connectivity for trade and transportation across local, regional, and international networks. Additionally, the Road Sector Strategy by the Roads General Authority focuses on improving road quality, optimizing traffic flow, ensuring safety, and increasing private sector involvement.

Key projects include the New Abha Airport, which will serve over 13 million passengers annually and support the Aseer region's tourism and development. The Land Bridge Project spans approximately 1,000 km, linking the eastern and western parts of the Kingdom and connecting to the GCC Railway Network. The King Hamad Causeway will provide a critical new rail and road link between the Kingdom and Bahrain, further strengthening regional transport infrastructure.

As the Kingdom aims to become a global logistics hub, maintaining high standards in transportation and connectivity will be vital. This includes ensuring the operational efficiency of airport terminals, freight facilities, and critical transportation corridors to support seamless trade and supply chain functions.

Real estate sector

The real estate sector in the Kingdom is experiencing rapid growth, fueled by the Vision 2030 Housing Program, which aims to increase homeownership to 70% by 2030G. The Supply Maturity Strategic Pillar by Ministry of Municipalities Rural Affairs and Housing focuses on enhancing private sector engagement, increasing land availability, boosting real estate supply, fostering innovative partnerships, and promoting advanced building technologies. The Sakani Program facilitates affordable housing for 3.4 million users, offering financial solutions to support homeownership.

Key projects include ROSHN, a PIF-backed mega-project developing national communities; Jeddah Central, which will feature 17,000 residential units and various urban facilities to boost the city's economy; and Saudi Downtown, a PIF subsidiary working on mixed-use downtown developments to transform urban centers.

As the Kingdom focuses on improving urban quality of life, large-scale urban developments, residential communities, and commercial complexes, will require O&M services for facility management, security, landscaping, and digital infrastructure upkeep.

Tourism sector

The tourism sector is a crucial driver of the Kingdom's construction market, propelled by large-scale infrastructure projects, significant government investment incentives, and public-private partnerships. The National Tourism Strategy (NTS), developed by the Ministry of Tourism, aims to boost economic growth through investments in hospitality, cultural, and infrastructure projects. One of the key initiatives under NTS is the Hospitality Investments Enablers, which seeks to add 42,000 new hotel room keys and attract SAR 42 billion in investments by 2030G.

Prominent project examples include The Rig, the world's first adventure tourism site on an offshore platform spanning over 300,000 sq. m.; the Diriyah development, a SAR 62.2 billion mega-project featuring more than 38 hotels and 20,000 residential units; Trojena, a year-round mountain destination in NEOM focused on adventure sports; and the Red Sea Project, a coastal tourism hub covering over 28,000 sq. km with 90 islands and 200 km of pristine coastline.

The tourism sector will also be a major focus for O&M services as large-scale projects like luxury resorts, entertainment hubs, and cultural destinations require continuous management and maintenance to preserve world-class infrastructure and ensure guest satisfaction, safety, and sustainability.

Energy sector

The energy sector in the Kingdom is driving the construction market through initiatives focused on renewable energy and energy efficiency. The National Renewable Energy Program (NREP) aims to generate 58.7 GW of renewable energy by 2030G, primarily from solar and wind sources, necessitating the construction of new energy plants and supporting infrastructure. This includes 11 new solar power plants contributing 40 GW to the renewable energy goal.

The Saudi Energy Efficiency Program (SEEP) promotes energy-efficient building standards across residential, commercial, and industrial sectors, spurring retrofitting projects and the development of green infrastructure.

Key projects include the establishment of a nuclear reactor research facility, a Solar PV Cell Plant with the first accredited testing laboratory for solar panels in the Kingdom, and the King Salman Energy Park, a large-scale industrial and logistics hub supporting energy sector businesses.

Given the aging energy infrastructure and the extensive construction of renewable energy projects and energy-efficient systems, ongoing O&M will be crucial to ensure optimal performance and consistent energy output.

Industrial sector

The industrial sector in the Kingdom is set to drive construction demand through the National Industrial Strategy (NIS) and incentives focused on localizing industries and developing manufacturing facilities. The NIS, created by the Ministry of Industry and Mineral Resources, outlines three strategic objectives: building industrial national resilience, establishing the Kingdom as a regional manufacturing hub, and expanding global leadership in select sectors. Complementing the NIS, the Accelerated Manufacturing Program, backed by the PIF, empowers emerging manufacturers to develop competitive products and expand their market presence.

Key projects in the sector include Oxagon, a floating industrial city within NEOM featuring an integrated port and logistics center; Saudi Made, which enhances visibility for local businesses across 16 sectors; and five Special Economic Zones (SEZs) designed to bolster industrial growth, targeting a contribution of over USD 25 billion to the Kingdom's GDP by 2040G.

As more industrial sites are developed under initiatives like the National Industrial Strategy, ongoing O&M of machinery, infrastructure, and automation systems will be crucial for long-term success.

Enabling cross-sectoral initiatives

Several cross-sectoral programs under the Kingdom's Vision 2030 are significantly influencing the EPC and O&M markets:

- **Privatization Program:** This program encourages private and foreign investment in key sectors such as energy and water, reducing government expenditure while improving sector efficiency. Impact on Construction: The program boosts demand for construction of new facilities and infrastructure, particularly in utilities, transportation, and public services.
- **Shareek Program:** Designed to foster collaboration between public and private sectors, Shareek aims to elevate domestic investments across various industries, with a target of SAR 5 trillion by 2030G. Impact on Construction: The program drives the need for industrial zones, transport hubs, and commercial infrastructure, expanding opportunities in construction and logistics.
- **Contractor Financing Program:** This initiative provides financial support to local contractors, alleviating liquidity constraints and empowering them to undertake larger projects. Impact on Construction: Enhanced access to funding accelerates the completion of ambitious infrastructure projects, promoting faster sector growth and improved project execution timelines.

Events

Additionally, in November 2033G, the Kingdom was chosen to host Expo 2030 in Riyadh. The Expo 2030 site is expected to cover six million square meters and attract over 40 million visitors, with an official budget of SAR 26.25 billion.⁹ Additional infrastructure investments will be required to connect the site of the Expo 2030 with the city of Riyadh. The Kingdom has also submitted the only bid to host the FIFA World Cup in 2034G and is expected to be the host country. Hosting this event will require upgrading existing sports assets and developing new infrastructure, including a minimum of 14 all-seater stadiums with capacities of between 40,000 and 80,000. Additional infrastructure requirements include training grounds, transportation networks, and hotels in areas where stadiums will be located.

Key Insights

These initiatives are designed to meet sector-specific ambitions, driving significant demand for EPC and O&M services and supporting broader economic diversification and quality of life improvements. The government's aggressive investment strategy, facilitated by the PIF, aims to stimulate growth in infrastructure, supported by a rising number of public-private partnerships (PPPs) and real estate investment trusts (REITs).

Despite the ambitious plans, the market faces significant challenges¹⁰, countered by strong government efforts to overcome them:

- **economic uncertainty:** Fluctuations in international oil prices can impact funding for construction and infrastructure projects.

⁹ MEED

¹⁰ Mordor Intelligence, Fitch Solutions, desk research

- **supply chain disruptions:** Global disruptions lead to material delays and cost escalations, affecting project timelines and budgets.
- **environmental and labor challenges:** Balancing rapid construction with environmental preservation and addressing the shortage of skilled labor, especially under Saudization policies, remains critical.
- **regulatory complexity:** Navigating the Kingdom's complex regulatory environment can pose challenges for new market entrants, requiring expertise to navigate frequent changes in compliance, permitting, and approvals which can be time-consuming and costly.

Overall, while Vision 2030 lays out a transformative plan for the Kingdom, strategic and sustained efforts are necessary to overcome these challenges and achieve the desired growth in the construction industry. The barriers to entering the construction sector include regulatory complexities, high capital requirements, labor constraints, and cultural sensitivities, giving established local companies a competitive advantage.

3.5.3 The Kingdom's EPC and O&M market regulation landscape

The construction market in the Kingdom involves multiple ministries and authorities, each playing a vital role. The Ministry of Commerce regulates business practices and trade policies, while the Ministry of Municipal, Rural Affairs and Housing (MOMRAH) manages urban planning, building permits, and housing policies. The Ministry of Finance allocates funding and oversees the financial transparency of public projects. The Ministry of Human Resources and Social Development ensures worker safety and promotes local employment.

The Ministry of Economy and Planning develops economic plans and encourages investment, while the Saudi Council of Engineers sets industry standards. Saudi Standards, Metrology and Quality Organization (SASO) sets technical and safety standards for construction materials, products and systems. Monshaat supports small and medium-size enterprises (SMEs), and the Local Content and Government Procurement Authority promotes local suppliers.

The Saudi Contractors Authority (SCA) is the primary authority, aiming to develop the contracting sector and create a high-quality environment. It operates independently under the Ministry of Municipalities Rural Affairs and Housing.

The Kingdom's construction regulatory framework is built on principles that ensure transparency, fairness, and compliance with Shari'ah law. Shari'ah principles (including in construction) mandate clear terms and prohibit speculation, while the use of FIDIC contracts allows the industry to integrate international standards, with adjustments to fit local requirements. The Government Tenders and Procurement Law (GTPL) reinforces this transparency by requiring all government contracts to be openly and competitively tendered, which is essential given the high volume of government-sponsored projects.

Other regulations shape ownership and participation in the industry. Contractors must also be registered with the Saudi Contractors Authority to work on government projects, ensuring accountability. The 2023G Civil Transaction Law further strengthens the regulatory framework by enhancing clarity and predictability in transactions, boosting investor confidence while adhering to Shari'ah principles. Together, these elements create a structured and reliable environment for construction in the Kingdom.

While historically there was a wide range of restrictions on the ownership of real estate properties by non-Saudi nationals in the Kingdom, in 2025G a new law that will become effective in 2026G was issued, and it substantially reduces the restrictions on the ownership of real estate properties by non-Saudi nationals; whereby it permits foreign individuals, companies, and entities to own real estate properties in the Kingdom, subject to specific geographic delineations. Such a development increases attractiveness for foreign investment.

All GCC countries follow broadly similar regulatory and tendering frameworks, differing mainly in evaluation criteria and weightings. Such reforms and frameworks give foreign companies greater confidence that their rights in tenders, as well as in judgments and awards (local or international), will be upheld, creating a more secure and attractive environment for investment.

Additionally, the Kingdom has implemented a range of environmental laws and initiatives to promote sustainability and address climate change, focusing on clean energy, biodiversity, and waste management. Key programs include the Green Saudi Initiative, targeting net zero emissions by 2060G, and the National Renewable Energy Program, which fosters public-private partnerships for renewable energy growth. The Circular Carbon Economy National Program aims to reduce CO2 emissions, while the Waste Management Law regulates recycling and waste disposal. Additionally, the Council for Royal Reserves works to preserve natural vegetation and control overgrazing. These efforts are supported by stakeholders such as the Ministry of Environment, Water & Agriculture, the Ministry of Energy, and various national centers dedicated to environmental management, demonstrating a collaborative approach to ecological conservation and climate resilience.

3.6 EPC and O&M historical, current, and forecast market: a promising outlook⁽¹¹⁾

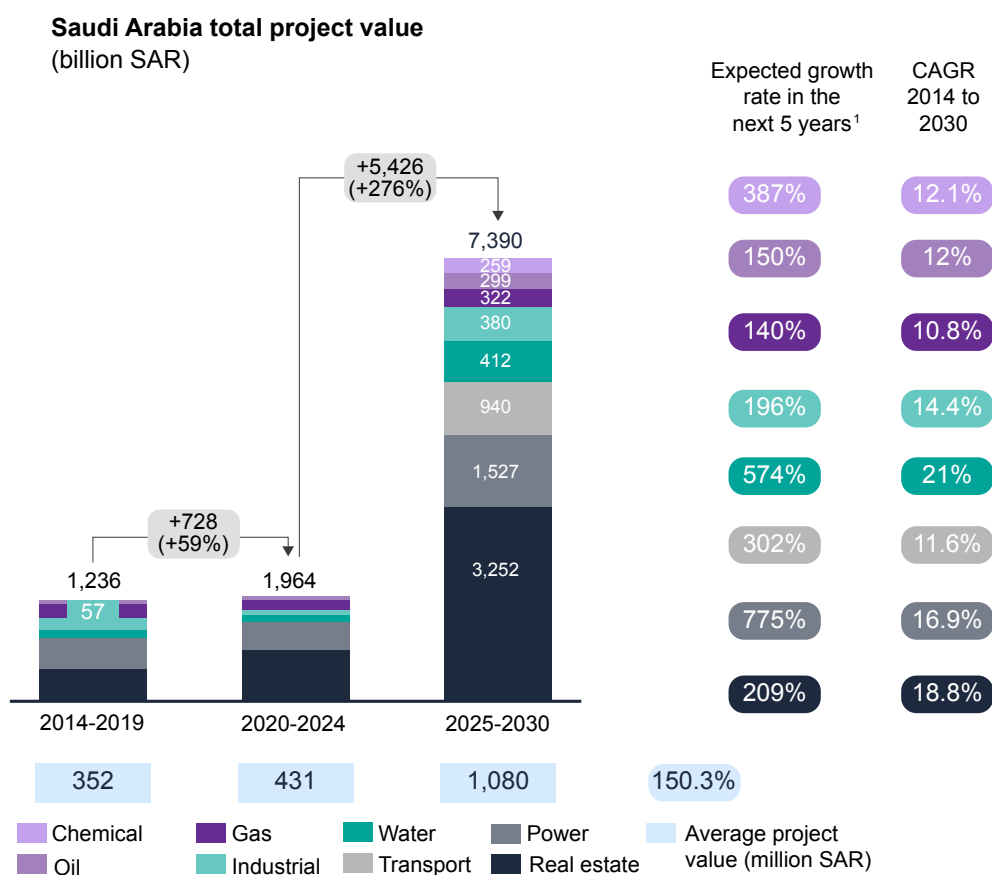
3.6.1 GCC EPC market historical, current, and forecast⁽¹²⁾

The construction market in the Gulf region has undergone significant changes from 2014G and is projected to continue evolving through 2030G, marked by periods of both fluctuation and substantial growth.

Overall, the forecast 2025G–2030G CAGR ~19% is in line with the past ~20% growth in 2020G–2024G. It reflects the continued focus on executing the projects to achieve Vision 2030.

The following exhibit illustrates the total project value in the GCC, measured in SAR billion, over multiple periods with a breakdown by segment from 2014G-2019G to 2025G-2030G:

Exhibit 11: Total Project Value in the GCC by Segment and Expected Growth (in Billion SAR, 2014G-2019G to 2025G-2030G):



Sources: MEED report; Kearney analysis

¹¹ MEED, subject matter experts, Kearney

¹² Project costs in this Section (3.6.1) "GCC EPC market historical, current, and forecast" reflect the budgets of projects awarded in each period, allocated proportionately based on the portion of the project duration that falls within the specified time frame.

2014G–2019G: steady foundations

During this period, the construction market in the region saw moderate growth, with the UAE and the Kingdom leading the change. The Kingdom recorded a market size of approximately SAR 1,236 billion, closely followed by the UAE at SAR 1,227 billion. Qatar and Kuwait also had significant market sizes of SAR 558 billion and SAR 430 billion, respectively. Meanwhile, Bahrain and Oman had relatively smaller markets, with values of SAR 94 billion and SAR 297 billion.

Between 2014G and 2019G, several major entities emerged as key players in the construction landscape of the Gulf region. These organizations, spanning both the public and private sectors, spearheaded significant infrastructure and development projects, laying the foundation for future growth.

Meraas committed SAR 251 billion to mixed-use communities, leisure hubs, and waterfront real estate projects, reinforcing its role as a key driver of Dubai's urban growth. Saudi Aramco followed closely, allocating SAR 232 billion, underscoring its role not only in the oil and gas sector but also in wider infrastructure development. Similarly, Qatar's Public Works Authority (Ashghal) committed SAR 120 billion to enhance and expand the country's urban infrastructure.

The Saudi Electricity Company allocated SAR 115 billion, focusing on enhancing the electrical infrastructure crucial for supporting the Kingdom's growing industrial and residential needs. Kuwait National Petroleum Company played a significant role in Kuwait's energy sector expansion, particularly in refining and petrochemical projects, with investments amounting to SAR 95 billion. Nakheel Properties (Dubai Holding) committed SAR 93 billion to developing large-scale residential and mixed-use communities in Dubai. The Royal Commission for Riyadh City, dedicated to the development of Riyadh's infrastructure, allocated SAR 77 billion, reflecting the city's ongoing urbanization and modernization efforts.

Meanwhile, ADNOC Offshore, the Abu Dhabi National Oil Company's offshore division, committed SAR 71 billion to expanding and enhancing offshore oil extraction capabilities. The Ministry of Interior in the Kingdom allocated SAR 66 billion, likely towards security infrastructure and facilities. In the Kingdom, the futuristic city project NEOM saw investments of SAR 66 billion, highlighting the Kingdom's ambitious plans for a high-tech, sustainable urban environment.

2020G–2024G: shifts and stagnations

The subsequent period brought varying trends. The Kingdom saw a significant increase in its construction market size, reaching SAR 1,963 billion, indicating a strong push towards large-scale infrastructure projects. The UAE maintained steady growth SAR 1,134 billion. Additionally, other countries such as Qatar and Kuwait experienced a downturn, with market sizes decreasing to SAR 402 billion and SAR 200 billion, respectively. Oman and Bahrain showed slight declines as well, reflecting broader regional economic challenges.

The period from 2020G to 2024G marked a transformative phase in the Gulf construction sector, characterized by ambitious projects and significant investments by major entities. Leading the change was NEOM, a cornerstone of the Kingdom's Vision 2030 initiative, which saw an investment of SAR 425 billion. This project underscores the Kingdom's commitment to creating a technologically advanced, sustainable urban environment.

Saudi Aramco, another major player, continued its substantial investment in infrastructure, allocating SAR 283 billion during this period. This investment highlights the company's diversification efforts beyond oil into broader industrial and infrastructure sectors. In the energy sector, Qatar Energy LNG invested SAR 105 billion, reflecting Qatar's strategic emphasis on expanding its liquefied natural gas capabilities.

Nakheel Properties (Dubai Holding) and Meraas remain pivotal players in Dubai's dynamic real estate sector, with respective investments of SAR 82 billion and SAR 74 billion fueling large-scale residential, retail, and mixed-use developments. While, ROSHN, a real estate company in the Kingdom, invested SAR 74 billion, aiming to develop large-scale residential communities.

Kuwait's Public Authority for Housing Welfare, with an investment of SAR 67 billion, is expanding large-scale residential and affordable housing projects nationwide. The Qatar Public Works Authority (Ashghal) also played a crucial role, with a substantial investment of SAR 66 billion, focusing on enhancing public infrastructure across Qatar.

The Ministry of Municipalities Rural Affairs and Housing in the Kingdom continued its efforts to address housing needs with an investment of SAR 65 billion, facilitating the development of new residential projects. Meanwhile, the Royal Commission for Riyadh City directed SAR 63 billion towards urban development, supporting the city's rapid expansion and modernization efforts.

2024G–2030G: a boom on the horizon

Looking forward, the construction market in the Gulf is poised for substantial growth. The Kingdom is expected to lead this surge, with its market size projected to reach a staggering SAR 7,390 billion, likely driven by ambitious projects under the Vision 2030 initiative. The UAE is also set to experience significant growth, with an anticipated market size of SAR 4,190 billion. Other countries are not far behind; Oman is expected to see its market grow to SAR 2,558 billion and Kuwait to SAR 1,233 billion, indicating a rebound and renewed investment in infrastructure. Qatar and Bahrain, while smaller in scale, are also projected to grow, with market sizes reaching SAR 813 billion and SAR 261 billion, respectively.

The period from 2025G to 2030G is poised to be marked by substantial investments in a variety of sectors, led by prominent organizations. These key players are at the forefront of transforming the region's economic landscape, focusing on sustainability, urbanization, and technological advancements.

NEOM remains a centerpiece of the Kingdom's Vision 2030, with a staggering investment of SAR 642 billion, underscoring its role as a transformative project aimed at creating a cutting-edge, sustainable city. King Abdullah City for Atomic and Renewable Energy, with an investment of SAR 301 billion, highlights the region's shift towards sustainable energy solutions, positioning itself as a leader in atomic and renewable energy projects.

Saudi Aramco continues to be a major player, channeling SAR 288 billion into various infrastructure and energy projects, further diversifying its portfolio beyond traditional oil and gas. Qatar Energy & QE LNG's investment of SAR 255 billion signifies Qatar's continued focus on maintaining its leading position in the global LNG market. Enova, with SAR 235 billion, represents another stride in renewable energy projects, reflecting the region's commitment to sustainable development.

The Diriyah Company continues its development of the historic Diriyah area with an investment of SAR 206 billion, reinforcing its cultural and touristic appeal. The Saudi Power Procurement Company, with SAR 183 billion, plays a critical role in expanding the Kingdom's power infrastructure, essential for supporting its growing energy needs.

The National Housing Company, with SAR 171 billion, and Nakheel, with SAR 161 billion, are both pivotal in addressing the region's housing demands, particularly in expanding urban residential areas. Emaar Properties, a major real estate developer, invests SAR 155 billion, focusing on luxury real estate and urban development.

The Public Investment Fund, a key financial arm of the Kingdom's economic transformation, invests SAR 153 billion, indicating its strategic role in diversifying the economy. Group 42, based in Abu Dhabi, committed SAR 150 billion to advancing artificial intelligence, cloud computing, and next-generation digital infrastructure projects. Saudi Electricity Company, with an investment of SAR 146 billion, is upgrading the Kingdom's power infrastructure and playing a central role in strengthening its energy sector.

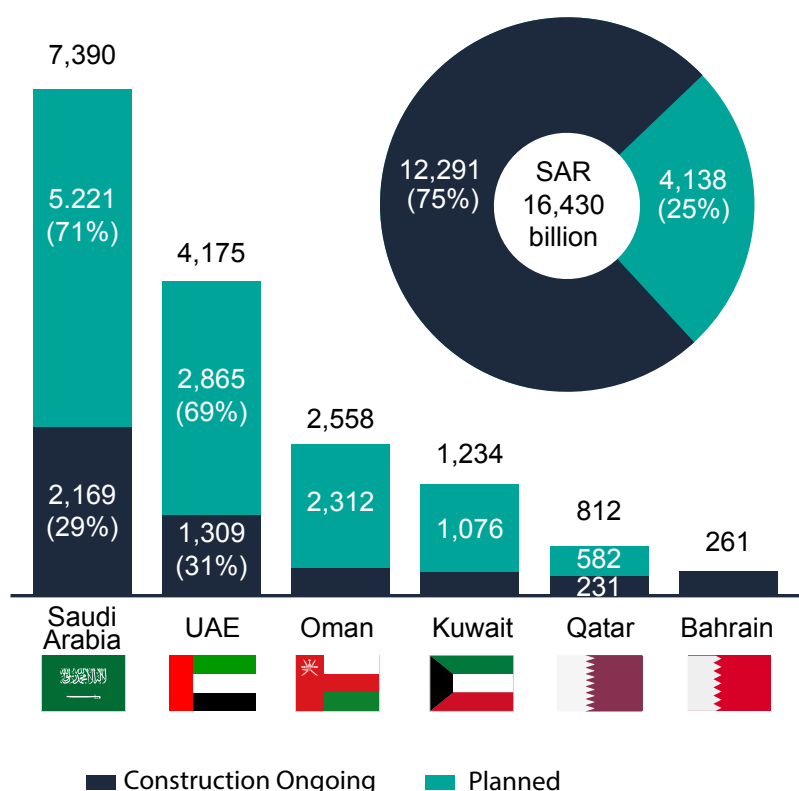
Dubai Municipality, with an investment of SAR 135 billion, focuses on further developing Dubai's urban infrastructure, public services, and sustainable city projects. Lastly, the Grand Blue City Development in Oman, with SAR 120 billion, is driving large-scale mixed-use real estate and tourism initiatives to support the country's economic diversification.

Planned and Ongoing Projects (2025G–2030G)

The following exhibit illustrates the total project value of planned and ongoing projects in the GCC for the period 2025G to 2030G, providing a country-level breakdown in billion SAR and a visual comparison of project contributions between the Kingdom and other GCC countries.

Exhibit 12: Total Project Value of Planned and Ongoing Projects in GCC by Country (in Billion SAR, 2025G-2030G):

Total project value of planned and ongoing projects in GCC (billion SAR, 2025-2030)



Sources: MEED report; Kearney analysis

The construction sector across the Gulf region continues to expand robustly, with a significant number of ongoing and planned projects indicating strong growth prospects. The distinction between ongoing and planned projects provides valuable insight into each country's current commitments and future ambitions.

The Kingdom leads the region with substantial investments in both ongoing and planned projects. Currently, there are SAR 2,169 billion worth of construction projects underway. The country also has an ambitious pipeline of planned projects totaling SAR 5,221 billion. This reflects the Kingdom's ongoing efforts to diversify its economy and transform its infrastructure, particularly under its Vision 2030 initiative.

The UAE similarly demonstrates a strong construction sector, with ongoing projects amounting to SAR 1,309 billion. The planned projects are even more substantial, totaling SAR 2,865 billion. The UAE's focus includes expanding its urban infrastructure and enhancing its position as a global hub for tourism, business, and innovation.

Qatar, with ongoing projects worth SAR 231 billion and planned projects amounting to SAR 582 billion, continues to focus on infrastructure development, particularly in preparation for hosting global events and enhancing its public facilities and transportation networks.

Oman has ongoing construction projects valued at SAR 245 billion, with a significant increase in planned projects, which are expected to reach SAR 2,312 billion. This surge reflects Oman's commitment to diversifying its economy through investment in tourism, logistics, and renewable energy.

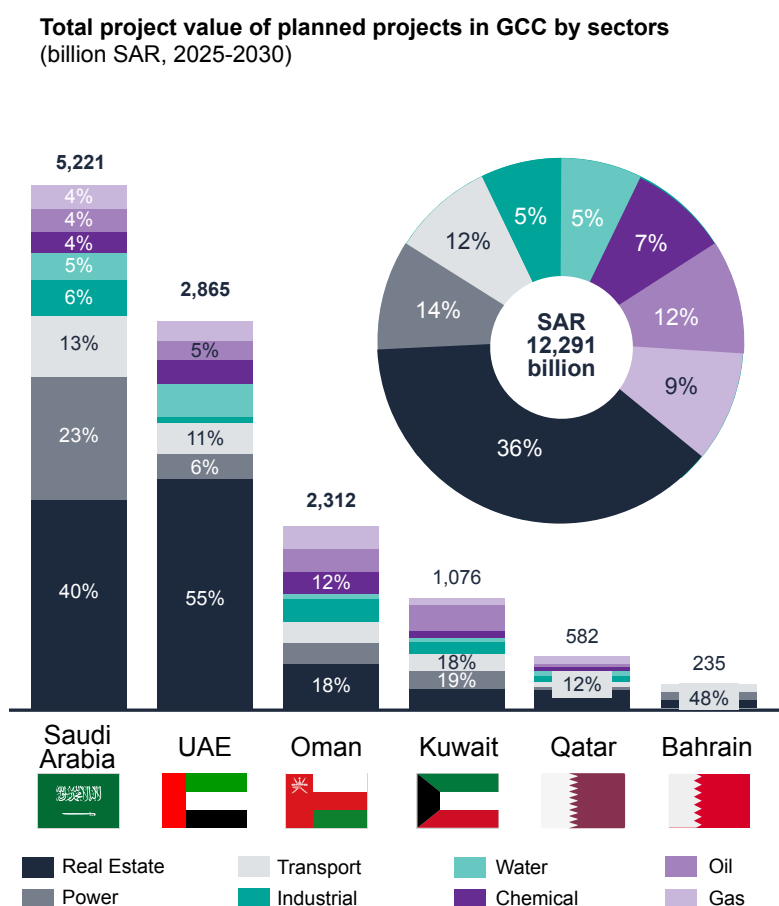
Kuwait is also developing its infrastructure, with SAR 157 billion in ongoing projects and a much larger planned investment of SAR 1,076 billion. These projects are crucial for addressing housing needs and improving the country's transportation and energy infrastructure.

Bahrain has a smaller but still notable level of activity, with SAR 27 billion in ongoing projects and SAR 235 billion in planned developments. Bahrain's focus appears to be on expanding its economic base and enhancing its infrastructure to support growth in tourism and finance.

Planned Projects by Sector and GCC country (2025G–2030G)

The following exhibit provides an analysis of the total project value of planned projects in the GCC for the period 2025G to 2030G, broken down by sector and country, highlighting the sectoral distribution of investments and the contribution of each GCC country.

Exhibit 13: Total Project Value of Planned Projects in GCC by Sector and Country (in Billion SAR, 2025G-2030G):



Sources: MEED report; Kearney analysis

Real estate is a major area of planned investment, especially in the Kingdom, which leads with SAR 2,078 billion, likely driven by urban development and housing projects. The UAE SAR 1,583 billion continues to expand its luxury real estate market, while Oman SAR 414 billion and Kuwait SAR 226 billion focus on addressing residential needs and urban expansion.

Transport infrastructure investments are critical for enhancing connectivity and supporting economic activities. The Kingdom has the largest planned investment at SAR 671 billion, including major projects in roads, rail, and air transport. The UAE SAR 303 billion and Kuwait SAR 199 billion are also investing significantly, reflecting their roles as regional transport hubs.

The power sector sees the highest planned investment in the Kingdom, with SAR 1,218 billion, focusing on expanding capacity and incorporating renewable energy sources. The UAE SAR 178 billion and Kuwait SAR 202 billion also plan major investments, essential for meeting growing energy demands and supporting economic growth.

Planned industrial projects are led by the Kingdom with SAR 339 billion, indicating a focus on expanding manufacturing capabilities and diversifying the economy. Oman SAR 130 billion and the UAE SAR 70 billion are also investing in industrial infrastructure, supporting broader economic goals beyond the oil sector.

Despite global shifts towards renewable energy, the oil sector remains a key investment area, with the Kingdom planning SAR 228 billion in projects to maintain its global oil production capacity. The UAE SAR 186 billion and Kuwait SAR 286 billion also plan substantial investments, reflecting their ongoing roles as major oil producers.

Investments in water infrastructure are crucial for the arid Gulf region, focusing on ensuring water security and supporting population growth. The Kingdom plans the largest investment at SAR 279 billion, with the UAE SAR 229 billion and Kuwait SAR 39 billion also making significant contributions. These projects typically include desalination plants and water treatment facilities.

The chemical industry is seeing significant planned investments, especially in Oman, which leads with a massive SAR 891 billion, highlighting its push towards enhancing petrochemical production. The Kingdom and Kuwait also plan substantial investments, at SAR 210 billion and SAR 241 billion respectively, aiming to capitalize on the value-added processing of hydrocarbons.

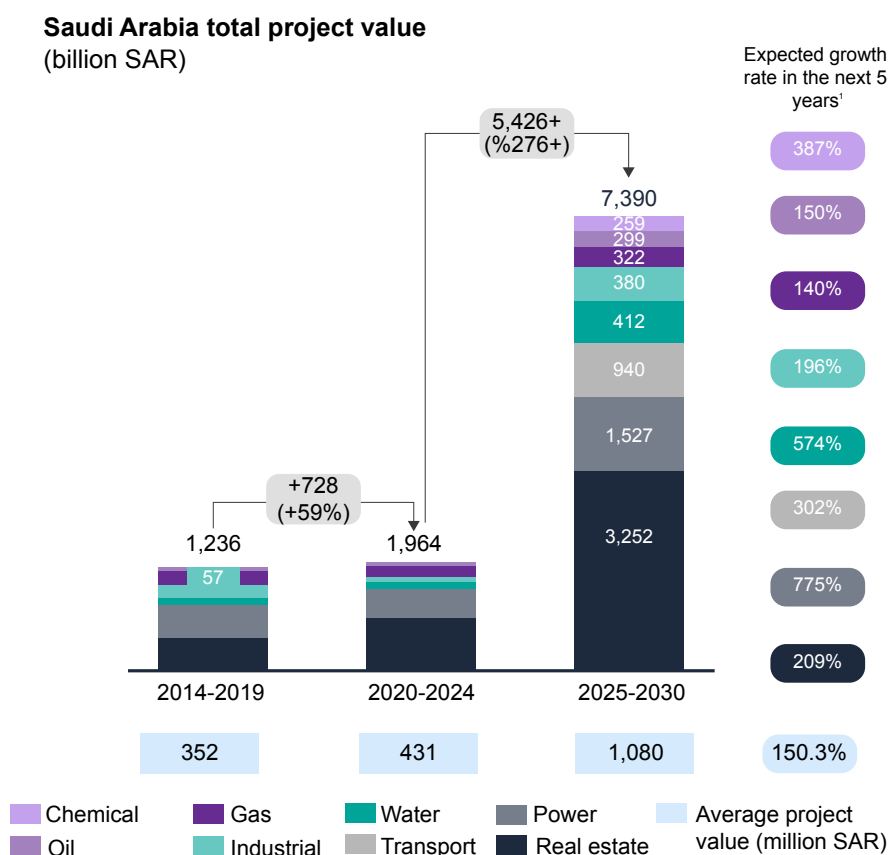
The gas sector remains a crucial area of investment across the Gulf, with Oman planning the highest investment at SAR 322 billion. Qatar follows with SAR 245 billion, reflecting its leadership in LNG production, while the Kingdom invests SAR 196 billion in comparable initiatives. The UAE, Bahrain, and Kuwait also have significant plans, focusing on expanding their gas extraction and processing capabilities to meet both domestic and export demands.

3.6.2 The Kingdom EPC market historical, current, and forecast

Over the past decade, the Kingdom has embarked on an ambitious journey to reshape its economy and infrastructure, guided by the overarching Vision 2030. This vision seeks to diversify the Kingdom's economy, reduce its reliance on oil revenues, and prepare for a sustainable future. The data on planned projects across various sectors from 2014G to 2030G provides a glimpse into this transformative era.

The following exhibit illustrates the total project value in the Kingdom, measured in SAR billion, over multiple periods with a breakdown by segment from 2014G-2019G to 2025G-2030G:

Exhibit 14: Total Project Value in the Kingdom by Segment and Expected Growth (in Billion SAR, 2014G-2019G to 2025G-2030G):



Sources: MEED report; Kearney analysis

2014G–2019G: laying the foundations

During the early phase, the Kingdom focused on foundational sectors. The real estate sector saw substantial investments, totaling SAR 447 billion, as urban expansion projects began to take shape. The transport sector, critical for enhancing connectivity, received SAR 252 billion, while the power sector, crucial for supporting economic and population growth, garnered SAR 171 billion.

The chemical and gas sectors, essential for industrial diversification, also received significant attention with investments of SAR 74 billion and SAR 92 billion, respectively. The oil sector, a traditional stronghold, saw SAR 96 billion in investments, ensuring its continued global dominance. Meanwhile, the water infrastructure received SAR 57 billion, addressing the crucial need for sustainable water supply in the arid region. The industrial sector, although less prominent at this stage, laid the groundwork with SAR 47 billion in investments.

2019G–2024G: a shift towards diversification

In the subsequent phase, the focus shifted towards diversification and sustainability. Real estate investments nearly doubled to SAR 1,053 billion, reflecting the Kingdom's push to develop new urban centers and housing projects. However, the transport sector saw a slight decrease in investment to SAR 234 billion, as existing projects continued to develop.

Meanwhile, the power sector saw a slight increase in investment to SAR 104 billion, aiming to meet additional demand and continue incorporating renewable energy. Interestingly, the gas sector witnessed a significant rise to SAR 129 billion, highlighting its growing importance in the energy mix. The oil sector also saw an increase to SAR 125 billion, reinforcing the Kingdom's role in global oil markets.

The industrial sector investments increased slightly to SAR 56 billion, the most notable surge was in water infrastructure, which saw its investments more than doubled to SAR 139 billion, signaling a strategic emphasis on water security. The chemical sector, meanwhile, experienced a reduction, with investments dropping to SAR 53 billion.

2025G–2030G: ambitious growth and modernization

Looking ahead, the period from 2025G to 2030G is set to be transformative, characterized by unprecedented investments across all sectors. Real estate leads with a staggering SAR 3,252 billion in planned projects, underpinning large-scale developments such as NEOM and other new urban initiatives. The power sector is set to receive a monumental investment of SAR 1,527 billion, reflecting a massive expansion in both conventional and renewable energy capacities.

The transport sector follows with SAR 940 billion, aimed at enhancing regional connectivity and supporting economic diversification. The water infrastructure sector also sees a substantial increase, with SAR 412 billion earmarked for projects, essential for ensuring sustainable water resources.

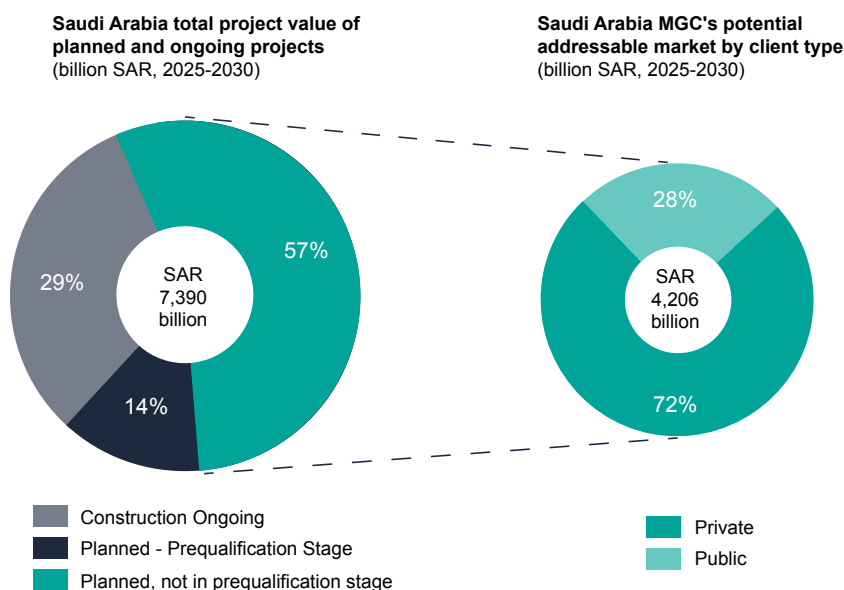
The industrial sector, critical for job creation and economic resilience, sees a major leap with SAR 379 billion planned, indicating a robust push towards manufacturing and industrialization. The gas and oil sectors continue to receive strong support, with planned investments of SAR 322 billion and SAR 299 billion respectively, ensuring energy security and economic stability.

The chemical sector rebounds with a planned investment of SAR 258 billion, reflecting renewed interest in diversifying the petrochemical industry and adding value to hydrocarbon resources.

Ongoing vs. Planned Projects

The following exhibit illustrates the breakdown of the Kingdom's total project value of planned and ongoing projects, as well as the potential addressable market for the Company by client type, measured in billion SAR for the period 2025G to 2030G.

Exhibit 15: Saudi Arabia Total Project Value of Planned and Ongoing Projects (in Billion SAR, 2025G-2030G) and the Company's Potential Addressable Market by Client Type (in Billion SAR, 2025G-2030G):



Sources: MEED report; Kearney analysis

Construction projects currently being executed amount to SAR 2,169 billion, reflecting significant investments across various sectors, including urban development, infrastructure, and industrial projects. In addition, there are SAR 4,206 billion worth of projects in early planning stages to be awarded in 2025G-2030G, indicating a robust pipeline of future investments. Finally, an additional SAR 1,014 billion of projects are in the prequalification stage, preparing for execution soon. The Kingdom's planned construction investments highlight a diverse focus across multiple industries.

The largest share is allocated to urban development, with SAR 1,870 billion aimed at urban development and housing. The North Pole Development project by PIF with a value amounting to SAR 10 billion is expected to be awarded in 2026G, and is a key urban development project. In NEOM, there are two key projects, the AI Data Center Campus in Oxagon (DataVolt) valued at SAR 10.0 billion awarded in 2027G and the Community Villages: Wave 2 project valued at SAR 8.0 billion to be awarded in 2026G, aligning with the city's vision of providing futuristic and sustainable urban living. Additionally, the P-563 Program: Ministry of Defense Headquarters Building SAR 9.4 billion, to be awarded by the Ministry of Defense in 2025G, and will establish a modern headquarters to centralize its operations.

This is followed by transport projects valued at SAR 560 billion, with the most notable project being the King Abdulaziz International Airport's new Terminal in Jeddah, valued at SAR 10 billion will be awarded in 2027G by Jeddah Airport Company, the project will further contribute to the growth of Saudi Arabia's aviation sector. There are two key rail projects in the Kingdom including, the Riyadh Metro Line 7 SAR 8 billion, a rail line connecting different areas in Riyadh, expected to be awarded by Royal Commission for Riyadh City in 2025G and the Saudi Land Bridge project, a SAR 4.5 billion rail line connecting Riyadh and Jeddah, expected to be awarded by the end of 2026G by Saudi Arabia Railways. These projects aim to improve passenger mobility and streamline cargo transport between key cities; while also underscoring the Kingdom's commitment to building a world-class transport network.

Planned projects in the power sector are valued at SAR 648 billion, reflecting the emphasis on energy capacity expansion. Key projects include the Nuclear Power Reactor by King Abdullah City for Atomic and Renewable Energy, valued at SAR 74 billion, which aims to establish a robust nuclear energy program, with expected award

in 2025G. Another key project by ENOWA, the Renewable Energy Program, valued at SAR 46 billion, underscores the country's commitment to expanding its renewable energy capacity and reducing reliance on fossil fuels, the project is expected to be awarded in 2026G. The Battery Energy Storage System 10 GW IPP project by the Saudi Power Procurement Company, worth SAR 10 billion, supports renewable energy integration and grid stability, with expected award in 2027G.

Industrial developments are expected to receive SAR 326 billion for planned projects. The Smelting and Rolling Aluminum Factory by Royal Commission for Jubail and Yanbu, valued at SAR 10 billion, is the largest initiative, focusing on enhancing the country's aluminum production capabilities, it is expected to be awarded in 2027G. Another key project is the Integrated Flat Steel Complex by Essar in Ras Al-Khair, worth SAR 4.5 billion, supports the development of advanced steel manufacturing to meet growing demand across various industries, with an expected project award in 2027G. Additionally, the Integrated Flat Steel Production Plant by Royal Commission for Jubail and Yanbu in Ras Al-Khair, worth SAR 4.0 billion, will further support the Kingdom's steel production, with an expected project award in 2026G. These projects are critical to diversifying the Kingdom's economy and advancing its Vision 2030 objectives.

While the value of planned oil projects amount to SAR 108 billion, key initiatives include the Yanbu COTC Refinery Projects by Saudi Aramco and SABIC, such as the VGO & Base Oil Extraction Package, the Refinery Residual Hydrocracking Package and the Diesel & Naphtha Hydrotreating Package, each valued at SAR 5 billion and expected to be awarded in 2026G. These projects aim to expand the Kingdom's refining capacity and integrate cutting-edge technologies for higher efficiency and value creation. Additionally, the Samref Refinery Complex Expansion by Saudi Aramco and Exxonmobil, worth SAR 4 billion, focuses on upgrading heavy residue processing capacity and is expected to be awarded in 2027G. These investments reflect Saudi Arabia's efforts to maintain its leadership in the global oil market while supporting economic diversification.

SAR 203 billion was allocated to chemical production, leading the list of projects is the Clean Hydrogen Plant by the PIF, valued at SAR 10 billion, which aligns with the country's focus on clean energy and sustainability, and expected to be awarded in 2027G. The Green Hydrogen Corridor by Acwa Power, valued at SAR 8 billion, aims to develop large-scale renewable hydrogen production, and is expected to be awarded in 2027G. Additionally, The Green Ammonia Plant project by PIF, worth SAR 6.5 billion, supports the production of sustainable ammonia for global export and is expected to be awarded in 2027G. These projects are pivotal in establishing Saudi Arabia as a global hub for chemicals and sustainable energy solutions.

2025G-2030G planned projects in water sector amount to SAR 225 billion, among the top projects is Phase 4 of the Water Transmission System project from Alshuqaiq to Jizan, valued at SAR 2.96 billion and expected to be awarded in 2025G by the Water Transmission and Technologies Company, the project will ensure reliable water supply to key urban areas in southern Saudi Arabia. Another significant project is the Riyadh-Qassim Independent Water Transmission Pipeline, valued at SAR 1.97 billion, which focuses on water security and expected to be awarded by Saudi Water Partnership Company in 2025G. Additionally the Water Transmission Pipeline from the Southern to Eastern provinces, valued at SAR 1.46 billion, aims to expand potable water supply capacity to meet growing demand in the region, and is expected to be awarded in 2027G also by the Saudi Water Partnership Company.

The investments in gas sector in planned projects is expected to reach SAR 156 billion, driven by projects that enhance gas processing and infrastructure. The COUR: Gas Compression Facilities Phase 4 and SUGCP: Shedgum & Uthmaniya Gas Compression Plant Packages 1 & 2, each developed by Saudi Aramco and valued at SAR 2.5 billion, aim to boost the Kingdom's natural gas processing capacity, with expected award year being 2025G. Additionally, the Dorra Gas Field Development Package, valued at SAR 2 billion, focuses on developing onshore gas processing capacity for output from the Dorra field, it is expected to be awarded in 2025G by Khafji Joint Operation (JV between Aramco and Kuwait Gulf Oil Company). These projects underscore Saudi Arabia's commitment to enhancing its gas infrastructure to meet growing energy demands and support Vision 2030 objectives.

In the construction sector, real estate, transport, and industrial projects serve as major volume drivers, collectively comprising a significant portion of the market. These sectors, while expansive, typically exhibit lower complexity, which correlates with a relatively lower average project value and profit margin. The real estate sector, despite accounting for more than half of all projects, illustrates this trend with its substantial volume yet modest profitability.

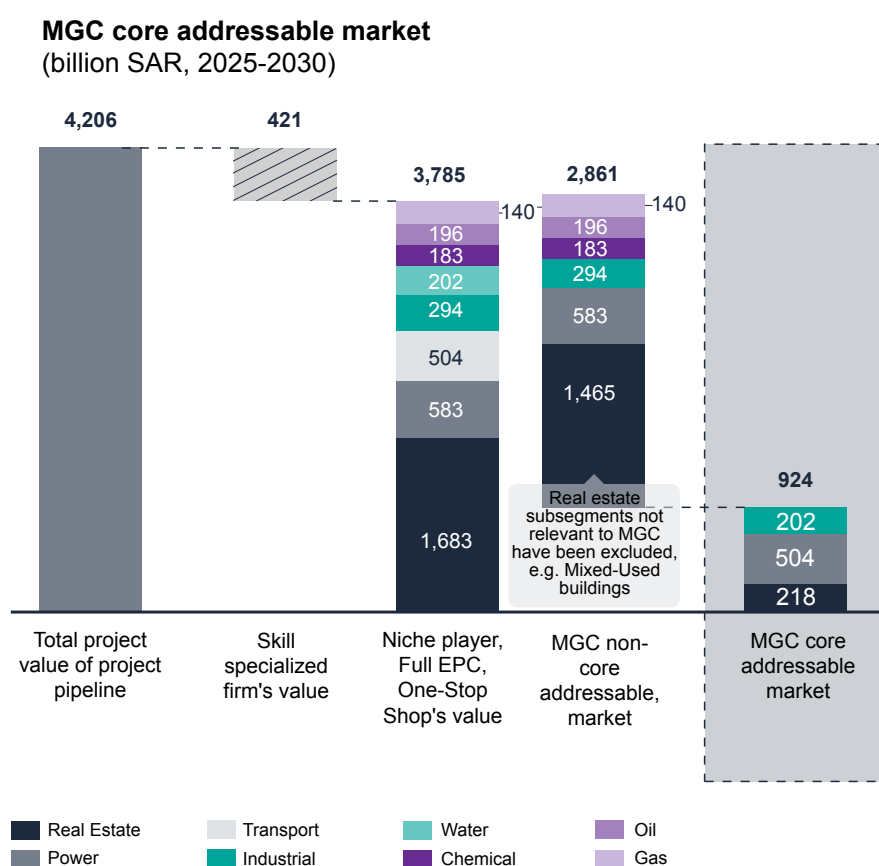
Conversely, sectors such as gas, oil, and chemicals are characterized by higher complexity, which translates into increased project risks. However, these risks often command price premiums, resulting in higher profit margins. The complex nature of these projects also leads to a smaller pool of competitors, allowing the few qualified firms to extract greater value from their engagements.

The relationship between project complexity and profitability is evident: higher complexity sectors, though involving fewer projects, yield greater financial returns. This dynamic underscores a positive correlation between the average project value within a sector and its profit margin. Sectors with high complexity and fewer competitors, such as water, oil, gas, and chemicals are able to leverage these attributes for higher profitability despite the inherent risks.

In summary, although the real estate, transport, and industrial sectors drive volume and market size, their simpler nature results in lower profitability compared with high-complexity, high-risk sectors such as water, gas, oil, and chemicals. This complexity-risk premium balance plays a crucial role in shaping the profit landscape across the construction industry's various sectors.

Important to note that cross-sector synergies reinforce market outlook, as transport/infrastructure investments (such as metro, rail, and airport projects, including the Riyadh Metro and Dubai Expo extension) stimulate demand for real estate and new communities. At the same time, residential expansion and industrial development increase the demand for utilities and water infrastructure (desalination and distribution), which in turn drives substantial investment in power generation.

Exhibit 16: The Company's core addressable market and implied market share (in Billion SAR 2025G-2030G):



Sources: MEED report; Kearney analysis

The Company's current core addressable market is estimated at approximately SAR 924 billion, with a primary focus on the water, transport, and real estate sectors. Within this, The Company's core services - water transmission (22%), treatment and storage; transportation for urban mobility (54%); and real estate for urban development (24%) - represent around 25% of the total addressable market.

To protect the market share, the Company leverages the following strengths:

- **Scale of large projects:** the Company demonstrates the capability to manage and execute complex, multi-billion SAR projects, reinforcing its credibility with stakeholders.
- **Labor requirements:** The company maintains access to a skilled and scalable workforce, ensuring timely delivery of projects with demanding resource needs.
- **Supply chain & local relationships:** Strong partnerships with local suppliers and regulators provide resilience against disruptions and ensure compliance with national priorities.
- **Track record & reputation:** A proven history of delivering high-impact projects builds confidence among investors, clients, and government entities.
- **Market knowledge:** Deep understanding of sector-specific dynamics and regulatory frameworks enables the company to anticipate challenges and capture emerging opportunities.

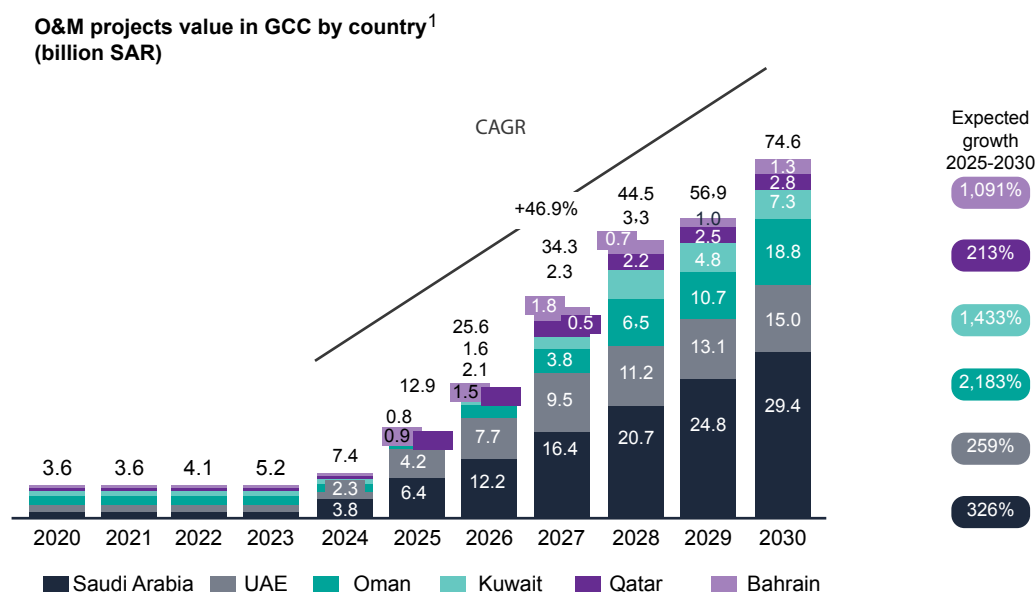
3.6.3 GCC O&M market historical, current, and forecast

O&M market is largely dependent on the EPC market especially in developing economies where the amount of legacy infrastructure is limited. Total O&M costs of construction projects may be significant compared to the total cost of EPC; however, it is diluted over the entire lifetime of the project (~20 years), making it less significant on the yearly basis.

Same as EPC, the GCC O&M market is expected to grow exponentially in the upcoming years with an average annual rate of 47%, driven by the Kingdom and Oman, with the Kingdom representing more than half of the market currently and in the future. The fastest growing GCC markets of O&M services by 2030G are Oman, Kuwait, and Bahrain.

The following exhibit illustrates the value of operations and maintenance (O&M) projects in the GCC, measured in billion SAR, with a breakdown by country, highlighting trends and growth rates over the period.

Exhibit 17: O&M Projects Value in GCC by Country (in Billion SAR, 2020G-2030G):



1. Assuming linear increase in share from 0,6% in 2024 to 2% in 2030, since cumulative value of assets commissioned year after year is growing

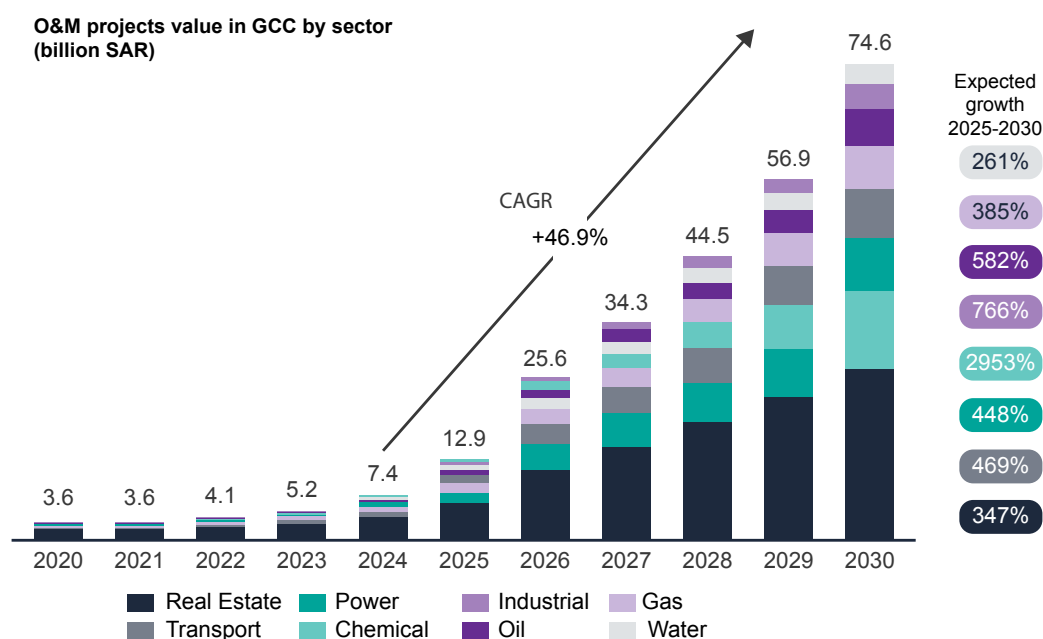
Sources: MEED report; Kearney analysis

The share of O&M as compared to EPC in the Kingdom and other GCC markets is expected to triple compared to its current levels. O&M currently represents 0.6% and is expected to reach 1.8% by 2030, implying a compound annual growth rate of 47%, with an average expected share of 1.3% over the next five years. This increase is driven by the rising number of projects, including large-scale mega-developments that have entered or are expected to enter the operations phase, requiring the ongoing provision of O&M services.

GCC countries show similar trends in the drivers of O&M demand, led by sectors directly linked to EPC. Urban development, transport, power, and chemicals emerge as the largest contributors to this rapid growth.

By 2030, the chemicals and industrial sectors are expected to record the highest growth rates, with the chemicals sector projected to grow by approximately 30 times compared to 2025 levels, while the industrial sector is expected to expand by around eight times over the same period. This highlights the progressive shift from construction toward long-term operational phases in major GCC projects.

Exhibit 18: O&M Projects Value in GCC by Sector (in Billion SAR, 2020G-2030G):



1. Assuming linear increase in share from 0,6% in 2024 to 2% in 2030, since cumulative value of assets commissioned year after year is growing

Sources: MEED report; Kearney analysis

3.7 EPC and O&M market competitive landscape

3.7.1 The Kingdom competitive landscape overview⁽¹³⁾

Up until 2015G–2016G, the Kingdom's construction market was characterized by a blend of major companies and numerous smaller firms, leading to a fragmented market structure due to the wide range of projects across various sectors, including infrastructure, oil and gas, and real estate, which required diverse expertise.

Since 2016G, the Kingdom construction market has undergone significant changes. The economic downturn, partly due to declining oil prices, prompted a reduction in government expenditure on infrastructure projects, impacting many companies. This period also saw increased government intervention and restructuring within major firms. The market has since been gradually stabilizing, with a focus on diversification and new projects under the Kingdom's Vision 2030 initiative, aimed at reducing the country's dependence on oil and developing various sectors, including construction. The landscape now features a mix of consolidated large players and emerging companies, reflecting a more stable yet still competitive market environment.

¹³ Press releases, subject matter experts, Kearney

3.7.2 Global players⁽¹⁴⁾

The construction market in the Kingdom is characterized by significant participation from global players, each bringing expertise to the Kingdom's ambitious infrastructure and development projects. This dynamic competitive landscape includes major Western companies, Chinese firms, and other international entities that bring a diverse range of capabilities to support the country's Vision 2030 goals.

Western companies such as Bechtel Corporation, with capabilities across procurement, and construction management, are active in delivering large-scale infrastructure and industrial projects in the Kingdom. European firms such as Vinci SA from France and ACS from Spain further strengthen the competitive landscape, while Skanska AB from Sweden contributes with sustainable building practices and expertise in commercial and residential projects. Adding to this is Webuild, an Italian construction company specializing in large infrastructure projects such as bridges, tunnels and highways. With a global presence across 110 countries, Webuild focuses on megatrends such as climate transition, water scarcity, and sustainable construction. Notable projects in the Kingdom include the 42-km Line 3 of the Riyadh Metro, a USD 2.8 billion renewable energy infrastructure project at NEOM's Green Hydrogen plant, and a three-story underground car park with 10,500 spaces as part of the Diriyah Square development.

Chinese firms have also emerged as key players in the Kingdom's construction market, leveraging extensive resources and competitive financing options to secure significant projects. Companies such as China State Construction Engineering Corporation (CSCEC), China Railway Group Limited (CREC), and China Communications Construction Company (CCCC) bring expertise in building, civil engineering, railways, urban transit systems, and marine and port construction. Their contributions underline the increasing globalization of the Kingdom's construction sector.

Other significant international players include Samsung C&T from South Korea, known for high-rise buildings and infrastructure projects, and Larsen & Toubro (L&T) from India, which supports various sectors, including infrastructure and energy projects. Larsen & Toubro (L&T) has demonstrated solid growth, focusing on water-related construction services and diversifying into the energy transition, particularly green hydrogen, aligning with the Kingdom's Vision 2030.

Mapa Group, a Turkish multinational firm established in 1976, further enriches the competitive landscape with its diversified expertise in infrastructure, renewable energy, real estate, and hospitality. Mapa has completed over 200 projects worth more than USD 18 billion and continues to deliver critical projects in the Kingdom. Recent contributions include the SAR 1.8 billion King Salman Knowledge District, SAR 3 billion luxury hotels at Diriyah Gate, and the SAR 9.4 billion Ras Al-Khair to Riyadh water transmission pipeline.

3.7.3 Local players⁽¹⁵⁾

Local companies play a significant role in the Kingdom's construction sector, participating in major projects under the Vision 2030 initiative. Their local expertise and established networks enable them to handle complex projects and navigate the Kingdom regulatory framework effectively. Additionally, these firms often collaborate with international companies, bringing global best practices and technologies to the Kingdom market while fostering local talent and development.

Nesma & Partners: EPC and O&M

Nesma & Partners, founded in 1981G, is one of the Kingdom's leading construction companies, specializing in energy, infrastructure, and building projects. With over 40 years of experience, the company provides EPC and O&M services across industries such as oil and gas, power, water treatment, and telecommunications. Supported by Nesma Group and the PIF, the company is also expanding its presence in public-private partnerships (PPPs), with notable desalination projects in Yanbu and Jubail.

The Company (MGC): EPC and O&M

The Company, founded in 1977G, is a closed joint stock company with its main headquarters located in Riyadh, the Kingdom. The Company is offering both EPC and O&M services specializing in Water, Transport and Real Estate sectors, while being grade 1 contractor as per the Ministry of Municipalities Rural Affairs and Housing. Workforce of the Company is exceeding 2550 employees and the equipment asset base of more than 2150 units. The Company is known for its timely execution and sustainable financial strength operating with zero debt. Additionally, the Company is committed to fulfilling and exceeding the Local Content requirements.

¹⁴ MEED, subject matter experts, EPC contractor websites, Kearney

¹⁵ MEED, subject matter experts, EPC contractor websites, Kearney

The Company has delivered 98 projects in past five years, project examples include water transmission system for NEOM with installation of 180 kilometers of carbon steel water pipelines, O&M works to maintain three major roads across the northern and western regions, EPC activities for treated water transmission lies in King Abdullah Wa'ad Al Shamal City development. Key ongoing projects include construction of several water transmission systems across the Kingdom valued more than SAR 5 billion in total.

Almabani: EPC and O&M

Almabani is a grade 1 contractor as per the Ministry of Municipalities Rural Affairs and Housing, established in 1972G with over 50 years of experience, specializing in large-scale projects across aviation, infrastructure, public transportation, and water sectors in the Kingdom and the GCC. The company has completed critical works such as a sanitary drainage network in Jeddah and a 1.6 km tunnel connecting the Haramain High-Speed Railway to King Abdulaziz International Airport.

Al-Ayuni: EPC and O&M

Al-Ayuni Group, founded in the early 1960Gs, is a grade 1 contractor in the Kingdom as per the Ministry of Municipalities Rural Affairs and Housing, specializing in major road and civil works construction. Registered as a General Contractor since 1972G, the company has diversified to serve both public and private sectors across transportation, urban development, water, and energy industries. It has ongoing projects like constructing 17 steel reservoir tanks for the Saline Water Conversion Corporation (SWCC) and comprehensive infrastructure work for the Saudi Authority for Industrial Cities and Technology Zones (MODON).

Al-Rashid Trading & Contracting (RTCC): EPC

Al-Rashid Trading & Contracting Company (RTCC), established in 1957G, is a leading contractor in the Kingdom with a focus on buildings, water, and railway projects. With over 65 years of experience and more than three decades of expertise in water infrastructure, Al-Rashid Trading & Contracting (RTCC) serves both public and private sectors, working with notable government ministries. The company's major completed projects include a SAR 0.6 billion water transmission system for Saline Water Conversion Corporation (SWCC) and a SAR 1.5 billion, 2,400-kilometer railway project for the Kingdom's Railways.

3.7.4 Other GCC competitive landscape overview

Other GCC countries exhibit a relatively similar EPC market structure, where international players lead at the top, but the broader market remains diversified in terms of key contractors.

- UAE: 30% of total market concentrated among the top 15 contractors
 - Market **concentration is low**, despite top-2 companies being notably ahead
 - Local firms hold a strong mid-tier presence, while **international** firms dominate **the upper tier**
- Kuwait: 30% of total market concentrated among the top 15 contractors
 - The market **is dominated** by Limak with 19% share, while fragmented across numerous mid-sized firms
 - **Local contractors** form the **majority** of the list, but international firms (such as Limak) get the largest projects
- Oman: 60% of total market concentrated among the top 15 contractors
 - The market is **rather fragmented**, while **Galfar** having almost twice higher contracts' value then next in line Technip
 - **International firms** play a major role, but **local players** have a strong footprint in the mid-tier
- Qatar: 70% of total market concentrated among the top 15 contractors
 - The market is **highly concentrated**, with top 5 players holding ~53% of total contracts' value
 - The market is **dominated by international firms** (i.e., Technip, Saipem, etc.), with local players holding only modest share
- Bahrain: 70% of total market concentrated among the top 15 contractors
 - The market is rather fragmented among top-15; with lower number of contractors overall
 - Local contractors dominate the mid-tier, while a few international firms (i.e., China Machinery) play visible roles at the top

3.7.5 Competitive benchmarking⁽¹⁶⁾

In the rapidly evolving construction sector of the Kingdom, more companies are focusing on strategies that not only sustain growth but also align with the nation's Vision 2030. This vision aims to diversify the economy and develop infrastructure through innovative and sustainable projects. Leading companies in this sector, including the Company, are leveraging a variety of strategies to strengthen their market position and achieve long-term profitability.

Sustaining growth through strategic alliances

A critical success factor in this sector is the formation of strategic partnerships and joint ventures. More companies are collaborating with international and local partners, often backed by influential entities such as the PIF. These alliances are essential for enhancing capabilities, managing large-scale projects, and tapping into new expertise and resources.

Expanding the customer base across various sectors is another strategy companies are adopting to ensure financial stability and mitigate the risks associated with industry cyclicity. By diversifying their clientele, these companies can better withstand economic fluctuations and maintain steady revenue streams.

Strategic enablers: branding and inorganic growth

In a competitive market, strong branding and marketing are vital. Companies are participating in industry-specific events and pursuing awards to enhance their visibility and reputation. This not only boosts brand awareness but also helps in building lasting client relationships.

Inorganic growth through mergers, acquisitions, and strategic partnerships is another key strategy. This approach enables companies to scale quickly, expand their expertise, and capitalize on global megatrends such as climate action and the energy transition. By acquiring or merging with other firms, companies can rapidly increase their market presence and workforce, positioning themselves favorably in the evolving market landscape.

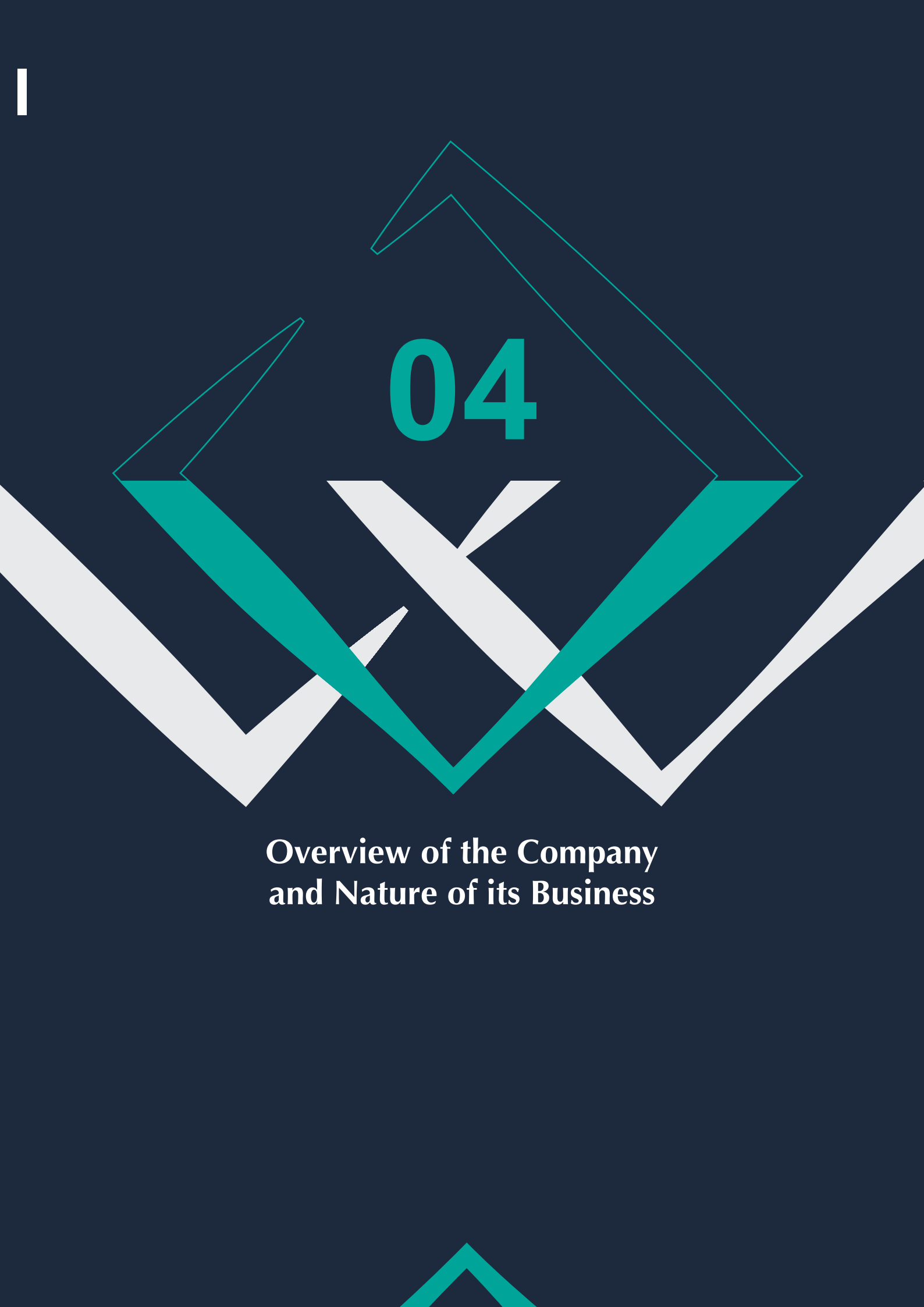
Additionally, competitors expand into Operations & Maintenance (O&M) services to create a more stable and diversified revenue streams. Unlike the cyclical nature of EPC projects, which can be heavily affected by market fluctuations and project completion timelines, O&M services provide consistent, long-term income as they involve ongoing contracts for asset maintenance.

Capitalizing on emerging trends: sustainability and digital transformation

A significant trend in the construction sector is the emphasis on sustainability. They are investing in sustainable projects and adopting zero-harm value creation approaches, which not only enhance their competitive position but also align with global sustainability goals. This focus on environmental, social, and governance (ESG) factors is becoming more important for attracting environmentally conscious stakeholders and investors.

Digital transformation is another critical area of focus. Companies are investing in advanced technologies and digital tools to enhance their service offerings and operational efficiency. By adopting digital innovations, these firms can maintain sustainable growth and stay competitive in a rapidly changing market.

¹⁶ EPC contractor websites, press releases, subject matter experts, Kearney



04

**Overview of the Company
and Nature of its Business**

4. Overview of the Company and Nature of its Business

4.1 Overview of the Company and its Business

Mutlaq Al-Ghowairi Contracting Co. is a Saudi closed joint stock company converted pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G), with Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), issued in Riyadh, Kingdom of Saudi Arabia. The address of the Company's headquarters is Abi Al Hasan Ali Ibn Makki Street, Al Andalus District, P.O. Box 3852, Riyadh 13212, Kingdom of Saudi Arabia. The Company's current share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares, with a fully paid nominal value of SAR 1 per Share. As at the date of this Prospectus, the Company has one branch through which it carries out various activities within the Kingdom (for further details regarding the Company's branch, please refer to Section 11.4 (*The Company's Branch*)).

The Company holds a leading position in the fields of construction works and operation and maintenance works for infrastructure projects in the water, transportation, and urban development sectors. The Company commenced its operations in 1977G and relies on nearly five decades of experience, contributing to the completion of major infrastructure projects in the Kingdom, with a firm commitment to the safety of its employees, community, facilities and environment, and a constant pursuit of prudent management of its human and financial resources, which exceeded 4,300 employees and over 1,300 pieces of equipment as at 30 June 2025G.

The Company's business is divided into two main segments:

- **Construction Works:** The Company undertakes engineering, procurement, and construction (EPC) projects related to infrastructure in the water, transportation, and urban development sectors, as well as other construction projects including asset enhancement projects. The Company's revenues from these works represented 93.6%, 91.9%, 87.6%, and 82.7% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively (for further details regarding construction works, please see Section 4.7.1.1 (*Construction Works Segments*)); and
- **Operation and Maintenance Works:** The Company undertakes operation and maintenance works related to infrastructure projects in the water and transportation sectors. The Company's revenues from these works represented 6.4%, 8.1%, 12.4%, and 17.3% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively. Noting by that most of the services the Company provides as part of its operation and maintenance works relate to the provision of maintenance services to its clients (for further details regarding the operation and maintenance business sectors, please see section 4.7.2.1 (*Operation and Maintenance Works Segments*)).

The Company's business model is centered on providing integrated and specialized services in infrastructure projects and delivering tailored solutions designed to meet the individual needs of its clients. This model spans multiple phases, from design and supply through construction and development, and ultimately the operation and maintenance of such projects, in each case in accordance with the relevant contractual scope. This model enables the Company to effectively manage the project costs and maintain its profit margins. It also allows its clients to engage with a single contracting party, the Company, rather than sourcing, contracting and coordinating with multiple contractors, thereby reducing the complexity and enhancing overall project efficiency.

Vision 2030 has created opportunities in the infrastructure industry through the launch of 42 initiatives. The Company has participated in a number of projects related to these initiatives, such as the water transmission, Green Riyadh and Waad Al-Shamal City projects, which have supported the expansion of the Company's business, strengthened its operational platform, and contributed positively to its revenue and profitability. Looking ahead, the Company seeks to reinforce its position as a long-term strategic partner in the delivery of Vision 2030-related projects and initiatives, leveraging its accumulated expertise and long-standing relationships with the key stakeholders in the market (for further information on the infrastructure programs and projects stemming from Vision 2030, refer to Section 4.13 (*Overview of the Infrastructure Programs and Projects Emanating from Vision 2030 and Their Impact on the Company's Business*)).

The Company operates in a specialized industry focused on the construction, operation, and maintenance of major infrastructure projects. The execution of such projects requires substantial resources, resulting in a selective and growing client base of strategic partners, totaling 13 clients as at 31 December 2025G. Leveraging relationships, expertise, and best practices accumulated over five decades of collaboration with suppliers and strategic partners, the Company continues to strengthen client access, enhance service quality, and improve operational efficiency—contributing to the long-term, sustainable maximization of shareholder value.

The Company maintains a strong financial position and a flexible capital structure owing to the absence of any outstanding indebtedness as at the date of this Prospectus. Despite its strong creditworthiness with banks and the various on demand facilities available to the Company from multiple banks amounting to approximately SAR 10.8 billion as at 31 December 2025G, the Company has elected not to utilize these cash facilities since its establishment and up to the date of this Prospectus. The Company has instead financed its operations through cash flows generated from its operating activities. This financial position provides the Company with greater opportunities to expand its business and operations, access financing at lower costs when deemed appropriate and adapt to changing economic conditions, particularly in light of the cyclical fluctuations that may affect the contracting industry (for further information on the Company's financial performance, see Section 6 (*Management Discussion and Analysis of Financial Position and Results of Operations*)).

The Company's contracts revenue grew by approximately 41.6% between 2022G and 2024G, rising from SAR 2,286.4 million for the financial year ended 31 December 2022G, to SAR 3,237.5 million for the financial year ended 31 December 2024G. The Company's contracts revenue reached its highest level for the financial year ended 31 December 2023G, amounting to SAR 3,300.3 million. Furthermore, the Company's contracts revenue reached SAR 1,495.9 million for the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the Company's contracts revenue were SAR 1,552.6 million. The profit for the year also increased by approximately 97.9% between 2022G and 2024G, rising from SAR 611 million during the financial year ended 31 December 2022G to SAR 1,209.4 million during the financial year ended 31 December 2024G. The profit for the year reached its highest level during the financial year ended 31 December 2023G, amounting to SAR 1,488.2 million. During the six-month period ended 30 June 2025G, the profit for the period reached SAR 419.8 million, compared to the six-month period ended 30 June 2024G, where the profit for the period was SAR 751 million. Likewise, the Company achieved growth in its net profit margin between 2022G and 2024G, with an increase of approximately 40.1%, from 26.7% during the financial year ended 31 December 2022G to 37.4% during the financial year ended 31 December 2024G. The Company's net profit margin reached its highest level during the financial year ended 31 December 2023G, at 45.1%. The net profit margin was 28.1% during the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the net profit margin was 48.4%.

This was accompanied by an increase in the number of projects obtained by the Company, rising from 50 projects in 2022G to 67 projects as at 31 December 2025G, an increase of approximately 34% in the number of projects. This steady growth in revenue was not only the result of an increase in the number of projects but also a reflection of the quality of those projects. The slight decrease in revenue between the financial year ended 2023G and the financial year ended 31 December 2024G is a result of the Company's completion of certain previous projects (for further details, please refer to Section 6.8 (*Results of Operations - Statement of profit or loss and other comprehensive income*)). As at 31 December 2025G, the Company's backlog amounted to approximately SAR 10,626.8 million, which represents 3x the Company's contracts revenue as at 31 December 2025G. Such backlog may not result in actual revenue or profits, as it is subject to unexpected change and cancellation and thus may not fully or partially reflect future revenue.

Total assets amounted to SAR 1,918.3 million, SAR 2,389.9 million, SAR 3,374.5 million and SAR 3,735.1 million; while total liabilities amounted to SAR 967.6 million, SAR 550.4 million, SAR 723.4 million and SAR 812.9 million as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

4.2 Vision, Mission, Values and Strategy

4.2.1 Vision

To build a sustainable and innovative future for the Kingdom and elsewhere, with a focus on delivering exceptional quality and ensuring the safety of our projects and the well-being of our communities.

4.2.2 Mission

We are committed to providing exceptional services in engineering, procurement, construction, operation and maintenance within the Kingdom. We also strive to support Vision 2030 by providing innovative and sustainable solutions that uphold the highest standards of quality and safety, while ensuring client satisfaction and capturing strategic opportunities across all countries in the Gulf Cooperation Council.

4.2.3 Values

The Company's values represent a set of core principles that guide its employees and management in conducting business:

- **Transparency and Integrity:** Our clients' trust is our most valuable asset, and we are committed to maintaining an integrated framework founded on transparency and integrity;
- **Compliance with Safety Controls:** The safety of our employees and the broader community is a top priority and the Company is dedicated to upholding the highest safety standards;
- **Client-Centric:** We believe that the most effective way to maximize our Shareholders' value in a sustainable manner is by fostering a culture centered around our clients, through understanding their needs, meeting their expectations, listening to their comments, and addressing them efficiently;
- **Commitment to Sustainability:** We seek to follow a sustainable approach in conducting our operations, ensuring the Company's long-term prosperity through the use of environmentally friendly materials, green building technologies and renewable energy;
- **Responding and Adapting to Change:** We operate in a volatile, dynamic and evolving sector, and we believe it is fundamental to proactively anticipate changes and adapt to them when they occur; and
- **Adopting Governance:** We seek to adopt the best governance practices across our business and operations.

4.2.4 Strategy

- **Meeting Client Expectations and Optimizing Project Performance**

From the start of 2022G up to the date of this Prospectus, the Company has completed approximately 82 projects, all delivered in accordance with the scheduled timelines and within the total approved budgets. Delivering projects in accordance with specified timelines and standards is a key pillar of the Company's strategy. Adherence to project deadlines ensures timely completion, upholds the Company's reputation as a reliable partner capable of meeting its contractual obligations, prevents additional costs arising from delays, ensures obtaining new projects from existing clients, maintains stable cash flows and reduces reliance on short-term borrowings. These factors strengthen the Company's capabilities, financial position and profitability, maximize Shareholder value and provide a solid foundation for sustainable growth.

- **Sustainable Development of the Company's Business and Operations**

The Company actively seeks to expand its market share in infrastructure projects, particularly in the water, transport and urban development sectors, by increasing the number and value of the projects in which the Company is engaged by increasing its participation in the bids and tenders on offer. As at 30 June 2025G, the Company had submitted bids for 40 tenders with an aggregate value of approximately SAR 33.6 billion to various entities, including Riyadh Municipality, the National Water Company, the Saudi Water Authority, and Saudi Water Partnership Company.

During the course of 2025G, the Company submitted bids for 40 tenders, of which decisions have been made on 26 of those tenders to date. The Company was awarded five tenders, representing 19% of the 26 completed tenders in which decisions have been made, with a total value of SAR 8,489 million, equivalent to 30.5% of the total value of completed tenders, amounting to SAR 27,827 million.

The Company also seeks to leverage the advantages it has gained and the expertise it has developed in the water, transport and urban development sectors to capitalize on available opportunities, including opportunities presented by the National Water Strategy 2030G, the seven-year (2022G-2028G) strategy of the Saudi Water Partnership Company, the National Transport and Logistics Strategy, the Green Riyadh Project, the Saudi Green Initiative, the Road Sector Strategy, and initiatives to reuse treated wastewater. In addition, the Company also pursues works and projects related to these sectors, including, for example, sewage treatment plants, digitalization solutions for water infrastructure, and the development of industrial and residential infrastructure projects.

Moreover, the Company participates in the execution of infrastructure projects financed by the private sector under the public-private partnership (PPP) model, which is witnessing increasing momentum in light of Vision 2030's endeavor to develop the Kingdom's infrastructure while enabling the private sector to participate effectively in financing and implementing such development. The Company aims to increase its share of these partnerships due to the significant demand from Governmental and semi-Governmental entities in the Kingdom for the adoption of this model in infrastructure projects, and the Company seeks to strengthen these partnerships as one of the most important sources of the Company's revenue.

It also intends to leverage the experience it has gained in the water and transportation sectors to enter new sectors, such as the energy, oil, and gas sectors, to meet the Kingdom's development requirements, in addition to entering new markets such as the GCC countries in order to diversify and grow the Company's revenue sources and contribute to reducing its concentration risks.

- **Creating a Unique Brand Identity**

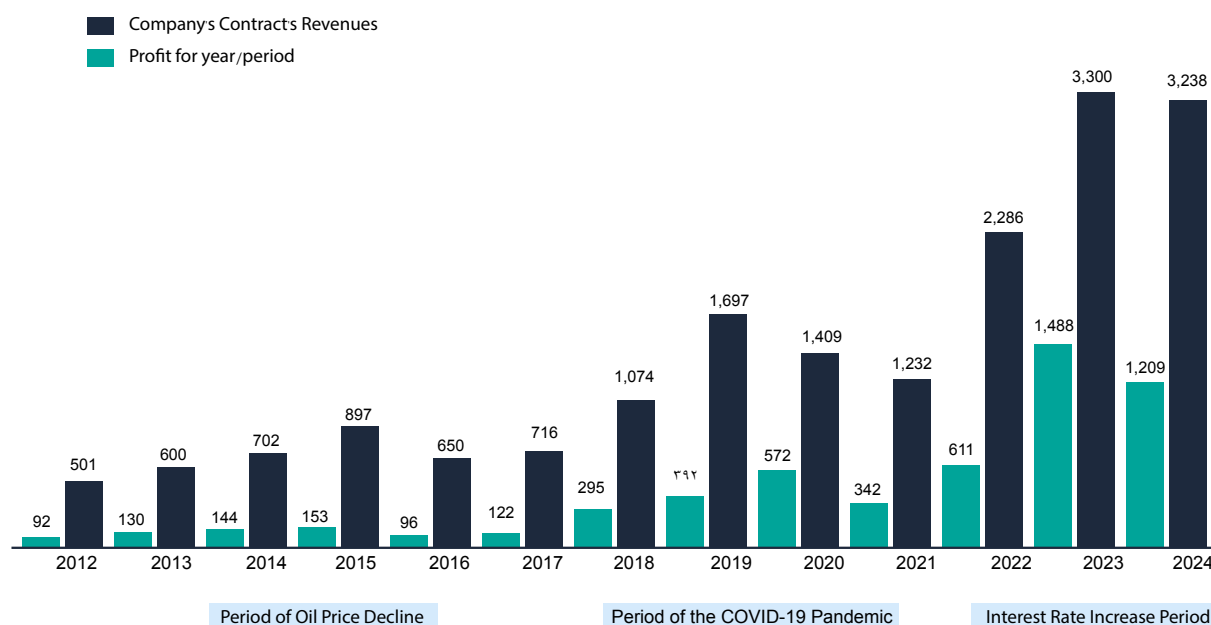
The Company seeks to establish a distinctive brand identity through the adoption of a comprehensive marketing strategy built on unified messaging and visual identity across all platforms, strengthening its digital presence and maintaining active participation in forums, seminars, and events relevant to its business. Increased awareness and strong client relationships, enhance the Company's position in the industry, enabling it to reach new clients in targeted markets and drive growth in revenue and profitability.

- **Enhancing and Sustaining Profitability Levels**

The Company aims to sustain and enhance its profitability through a clear strategic approach to project selection. In selecting projects, the Company considers several factors, including the project's scope, size and duration, availability of required resources, and the nature of the client and competitors. Projects are pursued to either increase profitability or strengthen the Company's strategic positioning and expand its market share. The Company also believes that major infrastructure projects, particularly those of a complex nature, entail substantial costs, such as issuing guarantees, securing specialized technical expertise, employing trained labor and acquiring appropriate equipment, which together create barriers to entry for competitors. The limited competition in the industry is reflected in the small number of entities participating in the tenders in which the Company bids, allowing it to select suitable projects and maintain a distinctive level of profitability.

This has been reflected in the Company's financial performance, which has shown an upward trend in both revenues and net profits generally over the course of the last decade. The following figure illustrates the Company's contracts revenue and profits from the fiscal year ended 31 December 2012G through the fiscal year ended 31 December 2024G:

Figure 4.1: Company contracts revenue and profit for the year ended 31 December 2012G up to the fiscal year ended 31 December 2024G



Source: The Company's financial statements from the year 2012G to the year 2024G.

- **Belief in the Importance of Governance**

The Company is committed to adopting best practices in the governance of its business and operations. This commitment extends beyond compliance with relevant regulatory frameworks to fostering a corporate culture that embraces governance as a guiding principle across all activities, thereby enhancing transparency and accountability, ensuring sustainability and protecting the interests of all stakeholders, including the Company's Shareholders, clients, employees, suppliers and the wider community.

- **Maximizing Shareholder Value**

The Company's foremost commitment is to maximize its Shareholder value by achieving sustainable growth in its business while effectively managing associated costs. The Company is also dedicated to strengthening its relationship with its Shareholders through transparent and effective communication, enabling them to gain a clear understanding of the Company's direction and financial performance.

- **Focus on Environmental Sustainability**

The Company supports the Kingdom's infrastructure needs, particularly in the water sector, by constructing, operating and maintaining projects that protect the Kingdom's water resources, secure water supplies for the population and provide wastewater treatment solutions, thereby reducing the consumption of natural water resources and preserving them for future generations. The Company also implements flood mitigation projects that lessen the impact of natural disasters arising from climate change. In the transport sector, the Company's projects contribute to facilitating the movement of goods and reducing emissions. Moreover, the Company incorporates environmentally friendly materials, green building technologies and renewable energy solutions in the projects it executes.

The Company also adopts the highest standards of environmental preservation, periodically monitors the extent to which the Company's employees, suppliers, contractors, and Related Parties apply those standards, and applies any corrective measures if any of them are found to be non-compliant. The Company holds several certificates in quality management systems, occupational health and safety management systems, and environmental management systems, such as ISO 14001:2015 for its environmental management system, to ensure that operations are carried out in an efficient and environmentally safe manner.

- **Consolidating Relationships with Strategic Clients and Suppliers**

In relation to its infrastructure construction, maintenance and operation projects, the Company maintains an extensive network of clients (government entities and private ones), suppliers, subcontractors, consultants and providers of technical and financial solutions.

The Company seeks to strengthen its relationships with existing and prospective clients, including Government entities such as the Saudi Water Authority, the Ministry of Transport and Logistic Services and Riyadh Municipality; semi-Governmental entities such as Roshn, Qiddiya, Red Sea Global, the National Water Company and the Saudi Water Partnership Company; and private entities such as Al Haer Environmental Services Company (concerned with operating a project belonging to a Government entity). These relationships contribute to maintaining the quality of the Company's project portfolio.

The Company also seeks to optimize its dealings with its suppliers, including Siemens, ABB Electrical Industries, Arabian International Co. for Steel Structures, Alzamil Metal Works Factory, Torishima Pumps MFG, and KSB Pumps Arabia Ltd Company; which limits the risks of unavailability of materials, delivery delays or price fluctuations.

The Company has consistently secured projects independently and executed them through its own capabilities or its subcontractors, given its robust financial position and strong reputation with clients. The Company also views consortiums with other companies operating in the sector as an important opportunity to expand its business, enhance profitability and manage associated risks. This is in addition to leveraging the expertise of leading companies in technical solutions, particularly in strategic segments such as water facilities, environmental facilities and sewage systems, and applying this expertise to the Company's projects.

- **Promoting Operational Efficiency**

The Company continuously seeks to improve its operational efficiency and optimize its resources leveraging digital transformation in its supply chains, including the enterprise resource planning (ERP) system, on an ongoing basis to align with the scale of its business and the diversity of its operations. It also applies well-established procedures and policies, derived from the Company's accumulated experience, in cost estimation, project management and risk assessment and mitigation, with the aim of reducing expenses and increasing profit margins without compromising project quality. These efforts have positively impacted the Company's net

profit margin during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, which amounted to 26.7%, 45.1%, 37.4% and 28.1%, respectively. The Company aims to continuously improve its operational efficiency and reduce related costs while maintaining the quality of the projects it executes.

- **Attracting the Best Administrative and Engineering Competencies and Expertise Specialized in the Infrastructure Projects**

The Company's strategy for attracting the necessary talent and expertise is based on the establishment of a human resources department staffed with highly qualified professionals. This department is responsible for identifying the Company's staffing needs across administrative, engineering and technical positions, as well as determining the requirements for filling such roles. The number of the Company's employees has increased in line with its business growth over recent years, rising from 2,266 employees as at 31 December 2022G to 4,713 employees as at 31 December 2025G, representing an increase of 107.9%. The Company aims to sustain this growth by providing a carefully selected and adequately staffed workforce and by adopting effective strategies to attract talent and expertise that support the continued growth and long-term sustainability of its business.

4.2.5 Strengths and Competitive Advantages

The Company holds a leading position construction and operation and maintenance segments for infrastructure projects in the water, transportation, and urban development sectors. This position is attributed to its nearly five decades of extensive experience, its strong network of relationships with a select group of clients, its stable and flexible financial position, prudent risk management and commitment to developing human capital and technical capabilities.

- **Extensive Experience and Established Position in the Infrastructure Sector**

The Company has nearly five decades of experience through which it has developed exceptional expertise in project management and execution, a deep understanding of the Kingdom's geography and terrain and strong capabilities in addressing diverse client requirements, particularly those of Government and semi-Governmental entities, while effectively managing challenges related to the procurement of material, talent acquisition and changes in regulatory and economic environments.

The Company regards this wealth of accumulated experience as one of its most valuable assets. It seeks to leverage such experience to continuously enhance its project management practices, resource planning and execution across various sectors, thereby strengthening its ability to address future challenges such as geographical and climatic constraints, tight timelines, coordination among multiple teams, accurate cost estimation and risk management. This approach ensures optimal project performance without cost overruns while positioning the Company at the forefront of adopting emerging technologies and developing innovative solutions that enhance the efficiency of its business and operational processes.

The Company has an exceptional track record delivering projects on schedule and ahead of time, in accordance with specified standards. This has enhanced its reputation as a reliable partner in the execution of major infrastructure projects, particularly amid the challenges facing the contracting industry, earned the trust of its clients, strengthened its brand identity among clients, suppliers and subcontractors, and contributed to expanding its client base in target markets while driving growth in the Company's revenue and profitability.

- **Integrated Services**

The Company's business model is centered on providing integrated and specialized services for infrastructure projects and solutions that meet the individual needs of its clients. This model spans several phases, starting from design and procurement, through construction and development, and concluding with operation and maintenance, depending on the scope of the contract.

This integrated model was reflected in the Company's revenues, with the Company's revenue from the construction segment amounting to SAR 2,140.8 million, SAR 3,034.5 million, SAR 2,837.1 million, and SAR 1,236.4 million for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively, and the Company's revenue from the operation and maintenance segment amounting to SAR 145.6 million, SAR 265.8 million, SAR 400.3 million, and SAR 259.5 million for the same periods, respectively.

This model enables the Company to manage project-related costs, improve operational efficiency, and maintain profit margins, and allows its clients to deal with one entity, the Company, instead of searching for and contracting with multiple external entities to execute those services and bearing the burden of coordinating with each of them.

- **Distinguished and Specialized Engineering, Technical and Human Capabilities**

The Company boasts a specialized engineering team with extensive experience in designing and executing complex projects, as well as developing and designing engineering and technical solutions, particularly in the water facilities, environmental facilities, sanitation systems, flood risk prevention, transportation facilities and urban development segments. The Company employs a highly qualified engineering team comprising 468 engineers across various specialties, supported by a workforce of 4,713 as at 31 December 2025G. This has played a vital role in the successful execution of major infrastructure projects across the Company's various sectors.

The Company has developed this engineering expertise generally over the past five decades, including more than 30 years of specialized and unique experience in the water sector, as such period paved the way for a deep understanding of the local terrain and climatic conditions in the Kingdom, ensuring a smooth and efficient implementation of projects and enabling the Company to deliver projects, in several cases, ahead of the scheduled delivery date. This has all been reflected in the Company's distinguished reputation for executing projects, including complex projects, and has enhanced client confidence in the Company.

The Company also cooperates with prestigious international engineering companies and houses in providing engineering and technical solutions, including ILF Consulting Engineers, to ensure alignment with the latest international practices in this regard.

The Company has built deep engineering expertise developed over five decades, including 30 years of specialized experience in the water sector. It has also gained a deep understanding of the local terrain and environmental factors in the Kingdom of Saudi Arabia. This extensive experience and local knowledge enable the Company to deliver projects ahead of schedule, ensuring smooth and efficient execution. These capabilities have earned the Company a strong reputation for excellence, even under complex conditions, which enhances confidence among its clients.

The Company also aims to digitize its business and operations, enhancing efficiency and transparency and provides the Company with broader opportunities to develop its business and operations. The implementation of the updated version of the enterprise resource planning (ERP) system constitutes one of the cornerstones of these efforts, through its application across the Company's various functions, including management of the Company's financial and human resources, supply chains, and project management. This is accompanied by the Information Technology Department's transformation from merely a support function to a strategic partner in developing the Company's business and creating added value in line with the Company's strategic objectives. This transformation in digitizing the Company's business is based on a clear plan that focuses on standardizing operational procedures, employee development, cybersecurity, and data governance.

The Information Technology Department is witnessing a transformation from a supportive role to a strategic partner focused on achieving growth, enhancing value creation, and aligning with the Company's overall objectives. This transformation is guided by a clear digital roadmap focused on standardizing processes, developing employee skills, cybersecurity, and data governance. Through these initiatives, the Company leverages advanced technologies to maintain its competitive advantage, unlock new growth opportunities, and create long-term value.

The Company applies the highest project management and quality, health, safety, and environment (QHSE) management standards, in addition to governance standards, periodically monitors the extent to which the Company's employees, suppliers, contractors, and Related Parties apply those standards, and applies any corrective measures if any of them are found to be non-compliant.

- **Strategic and Distinguished Relationships with Suppliers and Subcontractors**

The Company maintains a broad and reliable network of suppliers and subcontractors engaged in infrastructure projects and various construction, mechanical, electrical and technical works, as well as in the supply of essential materials. These include Siemens (a relationship spanning nearly seven years), ABB Electrical Industries (14 years), Torishima Pumps MFG (12 years) and KSB Pumps Arabia Ltd (15 years). This network is considered one of the drivers of growth of the Company's business and operations during the previous years and has granted the Company:

- **Smooth Access to Resources:** This network has provided fast and smooth access to various human and material resources, including building materials, which limits the risks of non-availability of those resources or their non-provision in a timely manner and enhances the Company's ability to meet the specified timelines;

- **Sustained Quality of Materials And Services:** This network, composed of international suppliers and service providers such as Siemens, ABB Electrical Industries, Torishima Pumps MFG, and KSB Pumps Arabia Ltd Company, and local suppliers and service providers such as Arabian International Co. for Steel Structures and Alzamil Metal Works Factory, ensures access to high-quality materials and services;
- **Competitive Pricing:** The Company's business volume and its close relationships with a number of suppliers and subcontractors have contributed to obtaining preferential or discounted pricing, which reflects positively on the final cost of projects and strengthens the Company's relationship with its clients; and
- **Flexibility in Dealings:** The Company has an excellent credit history and record with its suppliers and subcontractors, which gives it flexibility in scheduling dues owed to such parties.
- **Robust Financial Position Resulting from Good Financial Management of the Company**

The Company's contracts revenue grew by approximately 41.6% between 2022G and 2024G, rising from SAR 2,286.4 million for the financial year ended 31 December 2022G, to SAR 3,237.5 million for the financial year ended 31 December 2024G. The Company's contracts revenue reached its highest level for the financial year ended 31 December 2023G, amounting to SAR 3,300.3 million. The Company's contracts revenue also reached SAR 1,495.9 million for the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the Company's contracts revenue were SAR 1,552.6 million. The profit for the year also increased between 2022G and 2024G, with an increase of approximately 97.9%, from SAR 611 million during the financial year ended 31 December 2022G to SAR 1,209.4 million during the financial year ended 31 December 2024G. The profit for the year reached its highest level during the financial year ended 31 December 2023G, amounting to SAR 1,488.2 million. The profit for the period reached SAR 419.8 million during the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the profit was SAR 751 million. Likewise, the Company achieved growth in its net profit margin between 2022G and 2024G, with an increase of approximately 40.1%, from 26.7% during the financial year ended 31 December 2022G to 37.4% during the financial year ended 31 December 2024G. The Company's net profit margin reached its highest level during the financial year ended 31 December 2023G, at 45.1%. The net profit margin was 28.1% during the six-month period ended 30 June 2025G, compared to the six-month period ended 30 June 2024G, where the net profit margin was 48.4%.

This was accompanied by an increase in the number of projects obtained by the Company, rising from 50 projects in 2022G to 67 projects as at 31 December 2025G, an increase of approximately 34% in the number of projects. This steady growth in Company's contracts revenue reflects not the higher number of projects but also their quality, as the Company has been awarded several significant projects from both the public and private sectors. For example, the Company was awarded a private sector project for the construction of water transmission pipelines extending over 500 km and valued at SAR 6,673.6 million by Stream Water Transmission Company. The Company was also awarded two public sector projects, a project from the Saudi Water Authority to construct the Moghammas reservoir transmission systems, involving the supply and installation of water pipelines extending approximately 155 km and valued at SAR 1,216.2 million from the Saudi Water Authority (with a transfer capacity of up to 2.5 million cubic meters per day, which is among the highest in the Kingdom), and a project from Client 1 to supply and install two pipelines extending approximately 82 kilometers and 25 kilometers, along with pumping stations and tanks, valued at SAR 1,430 million. As for the slight decrease in revenue between the financial year ended 2023G and the financial year ended 31 December 2024G is a result of the Company's completion of certain previous projects (for further details, please refer to Section 6.8 (*Results of Operations - Statement of profit or loss and other comprehensive income*)).

The Company's operating profit also increased between 2022G and 2024G, from SAR 640.8 million during the financial year ended 31 December 2022G to SAR 1,276.9 million during the financial year ended 31 December 2024G. The Company's operating profit reached its highest levels during the financial year ended 31 December 2023G, amounting to SAR 1,536.1 million. The Company's operating profit amounted to SAR 456.5 million during the six-month period ended 30 June 2025G. The Company's operating profit margin was 28.0%, 46.5%, 39.4%, and 30.5% for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

The profit for the year amounted to SAR 611.0 million for the financial year ended 31 December 2022G, SAR 1,488.2 million for the financial year ended 31 December 2023G, and SAR 1,209.4 million for the financial year ended 31 December 2024G, and the profit for the period amounted to SAR 419.8 million for the six-month period ended 30 June 2025G, driven by a rise in the Company's operating profit, representing an annual growth rate in profit for the year estimated at 78.4% and 143.6% for the financial years ended 31 December 2022G and 2023G, respectively, while it decreased by 18.7% for the financial year ended 31 December 2024G. The Company's net profit margin was 26.7%, 45.1%, 37.4%, and 28.1% for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

Total assets amounted to SAR 1,918.3 million, SAR 2,389.9 million, SAR 3,374.5 million, and SAR 3,735.1 million, while total liabilities amounted to SAR 967.6 million, SAR 550.4 million, SAR 723.4 million and SAR 812.9 million as at 31 December 2022G, 2023G and 2024G and 30 June 2025G, respectively.

The Company enjoys a strong financial position and high liquidity ratios, with the Company's liquidity ratio (its current assets divided by its current liabilities) amounting to 1.8x, 4.2x, 4.6x, and 4.5x, and the cash liquidity ratio (the Company's cash and cash equivalents divided by its current liabilities) amounting to 0.2x, 0.3x, 0.3x, and 0.2x, for the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively.

The Company's structure is also flexible, given that there are no outstanding loans as at the date of this Prospectus. Although the Company has on-demand facilities under agreements with nine commercial banks amounting to approximately SAR 10.8 billion as at 31 December 2025G, reflecting its strong creditworthiness with these banks, the Company has elected not to utilize any of the available cash facilities since its establishment and up to the date of this Prospectus. The Company has instead financed its operations through cash flows generated from its operating activities. This financial position provides the Company with greater opportunities to expand its business and operations, access financing at lower costs when deemed appropriate and adapt to changing economic conditions, particularly in light of the cyclical fluctuations that may affect the contracting sector.

The Company has historically achieved positive free cash flow on an annual basis despite fluctuations in economic cycles and the business environment, reflecting the Company's stability, flexibility and dynamic operations. This is attributed to the Company's focus on vital infrastructure projects in the Kingdom, its strong financial position with minimal debt, and the ability to convert most operating profits into free cash flows after meeting working capital requirements.

• **Qualified Senior Management Team**

The Company is led by a highly efficient management team with extensive experience in infrastructure construction services and operation and maintenance services in the water, transport and urban development sectors. Most of the Senior Executives have over 20 years of experience, providing them with a deep understanding of the Company's business and the ability to effectively navigate changes within the industry. The Company places strong emphasis on governance, with a Board of Directors comprising seven members, including three independent Directors, ensuring a balanced and effective approach to decision-making and oversight. The Company aims to continue developing its human capital by attracting top local and international talent.

4.3 Corporate History and Evolution of Share Capital

4.3.1 Summary of the Company's Key Milestones

Below is a summary of the key historical changes and milestones of the Company since its incorporation:

Table 4.1: Key Historical Changes and Milestones

Date	Key Historical Changes and Milestones
1977G	- The Company commenced its business activities as a sole proprietorship under the name "Mutlaq Al-Ghowairi Contracting Establishment," owned by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi.
1989G	- Expansion of business activities through the addition of mail transportation and agricultural activities.
1991G	- Achieved a fifth-class rating in infrastructure contracting works (roads and water) and won the first road maintenance contract with the Ministry of Transport (currently the Ministry of Transport and Logistic Services).
1993G	- Won the first contract to execute water projects with the Ministry of Municipalities and Housing, jointly with another contractor.
2003G	- Won the first water transmission systems project in Riyadh.
2005G	- Achieved a third-class rating in road project works and a second-class rating in road maintenance and water project execution.
2006G	- Won the first contract to execute road projects in the Hail region (part of the Hail-Medina dual carriageway) and initiated the expansion of the execution of road projects for several projects in the Hail and Makkah regions.

Date	Key Historical Changes and Milestones
2007G	- Achieved a second-class rating in road project works, a first-class rating in road maintenance, and a second-class rating in executing water projects. - Won a unique contract for water transmission systems in the city of Riyadh. - Conversion of the sole proprietorship, along with its rights and obligations, into a limited liability company under the name "Mutlaq Al-Ghowairi Contracting Co."
2008G - 2010G	Profound shift in the size and quality of water and road projects acquired by the Company, which exceeded a value of two billion Saudi Arabian Riyals, as well as in their geographical spread in the central, northern, and western regions of the Kingdom.
2011G	Achieved a second-class rating in road project works and a first-class rating in road maintenance and water project execution.
2012G	Awarded a number of road maintenance projects in several regions in the Kingdom (Hail, Al-Jowf, and Makkah Al-Mukarramah).
2013G	Won water projects in the Qassim region, as well as Makkah Al-Mukarramah and Hail.
2015G	Achieved a first-class rating in road project works, road maintenance, and the execution of water and dam projects.
2017G	- Conversion of the Company from a limited liability company to a closed joint stock company. This resulted in the formation of the Board of Directors and greater implementation of governance systems over business activities. - Awarded the largest water transmission systems project for wastewater reuse in the Kingdom to feed the city of Waad Al-Shamal, with a length of 450km.
2019G	First project valued in the billions awarded to the Company by the Saline Water Conversion Corporation (SWCC).
2020G	Won the first project based on partnership with the private sector under the PPP system.
2021G	Obtained qualifications from many leading entities, such as the Saudi Arabian Oil Co. (Saudi Aramco) and NEOM Company.
2022G	- Contracted with specialist companies to review and develop governance procedures and all policies, regulations and rules as well as the organizational structure, in addition to automating processes through the enterprise resource planning (ERP) system. - Obtained qualifications from other leading entities such as Amaala Company and Red Sea Global.
2023G	- Obtained qualifications from other leading entities such as Qiddiya Investment Company and the Saudi Power Procurement Company. - Increase of the Company's share capital from SAR 1.0 million to SAR 300.0 million, through the capitalization of SAR 299.0 million from the retained earnings account.
2024G	- Reduction of the nominal value of the Company's Shares from SAR 10 per Share to SAR 1 per Share. - Increase of the Company's share capital from SAR 300.0 million to SAR 800.0 million through the capitalization of SAR 500.0 million from the retained earnings account.
2025G	Approval of the General Assembly to list the Company's Shares on the main market of the Saudi Stock Exchange (Tadawul).

Source: The Company

4.3.2 Changes in the Company's Ownership, Share Capital and Legal Form Since Incorporation

The following subsections set out the changes in the Company's ownership, share capital and legal form since incorporation and until the date of this Prospectus:

4.3.2.1 Incorporation (1977G)

The Company commenced its business activities in 1977G as a sole proprietorship under the name "Mutlaq Al-Ghowairi Contracting Establishment", owned by Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, under Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), with a share capital of SAR 200,000.

4.3.2.2 Conversion from a Sole Proprietorship to a Limited Liability Company (2007G)

Pursuant to the Articles of Association notarized on 23/05/1428H (corresponding to 09/06/2007G), the sole proprietorship, with its rights and obligations, was converted into a limited liability company under the name "Mutlaq Al-Ghowairi Contracting Co." with a capital of SAR 1,000,000, divided into 1,000 units with a nominal value of SAR 1,000 per unit. The net assets of the aforementioned establishment were valued at SAR 800,000, and the Company's units upon its establishment were distributed as follows:

Table 4.2: Ownership Structure of the Company as at 23/05/1428H (corresponding to 09/06/2007G)

Member	Number of Units	Unit Value (SAR)	Total Value (SAR)	Ownership Percentage
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	500	1,000	500,000	50.00%
Mohamed Damouk Mutlaq Al-Ghowairi	300	1,000	300,000	30.00%
Terad Damouk Mutlaq Al-Ghowairi	200	1,000	200,000	20.00%
Total	1,000	-	1,000,000	100%

Source: The Company.

4.3.2.3 Conversion from a Limited Liability Company to a Closed Joint Stock Company (2017G)

Pursuant to the shareholders' resolution dated 29/06/1438H (corresponding to 28/03/2017G), the members approved the conversion of the Company from a limited liability company to a closed joint stock company with a share capital of SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, and the Company's conversion was announced pursuant to Ministerial Resolution No Q/292, dated 02/09/1438H (corresponding to 28/05/2017G). The following table shows the Company's ownership structure following its conversion:

Table 4.3: Shareholders in the Company as at 02/09/1438H (corresponding to 28/05/2017G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	50,000	10	500,000	50.00%
Mohamed Damouk Mutlaq Al-Ghowairi	30,000	10	300,000	30.00%
Terad Damouk Mutlaq Al-Ghowairi	20,000	10	200,000	20.00%
Total	100,000	-	1,000,000	100%

Source: The Company.

4.3.2.4 Change in Ownership of the Company (2020G)

On 20/09/1441H (corresponding to 13/05/2020G), the Shares held by the late shareholder Mohamed Damouk Mutlaq Al-Ghowairi, amounting to 30,000 Shares, were transferred, upon his death, to his 16 heirs. The following table shows the Company's ownership structure following the transfer of the Shares to the new Shareholders:

Table 4.4: Shareholders in the Company as at 20/09/1441H (corresponding to 13/05/2020G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	50,000	10	500,000	50.00%
Terad Damouk Mutlaq Al-Ghowairi	20,000	10	200,000	20.00%
Neuer Madkhal Al-Ghowairi	5,000	10	50,000	5.00%
Abdulmajid Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Mutlaq Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Nayef Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Moudi Ajmi Sanhat Al-Otaibi	1,875	10	18,750	1.87%
Amsha Mutaib Ghazi Al-Otaibi	1,875	10	18,750	1.87%
Nada Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Nouf Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Reem Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Shatha Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Noura Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Hind Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Total	100,000	-	1,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.5 Change in Ownership of the Company (2020G)

On 27/11/1441H (corresponding to 18/07/2020G), Neuer Madkhal Al-Ghowairi sold all of her Shares in the Company, amounting to 5,000 Shares (representing 5.0% of the Company's total Shares at the time) to Terad Damouk Mutlaq Al-Ghowairi. The Company's ownership structure following the Share transfer was as follows:

Table 4.5: Shareholders in the Company as at 28/01/1442H (corresponding to 16/09/2020G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	50,000	10	500,000	50.00%
Terad Damouk Mutlaq Al-Ghowairi	25,000	10	250,000	25.00%
Abdulmajid Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Mutlaq Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Nayef Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Moudi Ajmi Sanhat Al-Otaibi	1,875	10	18,750	1.87%
Amsha Mutaib Ghazi Al-Otaibi	1,875	10	18,750	1.87%
Nada Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Nouf Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Reem Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Shatha Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Noura Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Hind Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Total	100,000	-	1,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.6 Change in Ownership of the Company (2020G)

On 14/02/1442H (corresponding to 01/10/2020G), Terad Damouk Mutlaq Al-Ghowairi sold some of his Shares in the Company, amounting to 2,500 Shares (representing 2.5% of the Company's total Shares at that time) to Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi. The Company's ownership structure following the Share transfer was as follows:

Table 4.6: Shareholders in the Company as at 14/02/1442H (corresponding to 01/10/2020G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	52,500	10	525,000	52.50%
Terad Damouk Mutlaq Al-Ghowairi	22,500	10	225,000	22.50%
Abdulmajid Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Mutlaq Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Nayef Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Moudi Ajmi Sanhat Al-Otaibi	1,875	10	18,750	1.87%
Amsha Mutaib Ghazi Al-Otaibi	1,875	10	18,750	1.87%
Nada Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Nouf Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Reem Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Shatha Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Noura Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Hind Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Total	100,000	-	1,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.7 Change in Ownership of the Company (2021G)

On 13/09/1442H (corresponding to 25/04/2021G), Amsha Mutaib Ghazi Al-Otaibi sold all of her Shares in the Company, amounting to 1,875 Shares (representing 1.87% of the Company's total Shares at the time) to Mutlaq Mohamed Damouk Al-Ghowairi. The Company's ownership structure following the Share transfer was as follows:

Table 4.7: Shareholders in the Company as at 23/09/1443H (corresponding to 24/04/2022G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	52,500	10	525,000	52.50%
Terad Damouk Mutlaq Al-Ghowairi	22,500	10	225,000	22.50%
Mutlaq Mohamed Damouk Al-Ghowairi	4,236	10	42,360	4.24%
Abdulmajid Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	2,362	10	23,620	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Nayef Mohamed Damouk Al-Ghowairi	2,361	10	23,610	2.36%
Moudi Ajmi Sanhat Al-Otaibi	1,875	10	18,750	1.88%
Nada Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Nouf Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	1,181	10	11,810	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Reem Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Shatha Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Noura Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Hind Mohamed Damouk Al-Ghowairi	1,180	10	11,800	1.18%
Total	100,000	-	1,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.8 Change in the Company's Share Capital (2023G)

Pursuant to the resolution of the Company's Extraordinary General Assembly dated 02/05/1445H (corresponding to 16/11/2023G), the Company's share capital was increased from SAR 1,000,000, divided into 100,000 Shares with a nominal value of SAR 10 per Share, to SAR 300,000,000, divided into 30,000,000 Shares with a nominal value of SAR 10 per Share. This increase was achieved by capitalizing SAR 299,000,000 from the retained earnings account. Following the share capital increase, the Company's ownership structure was as follows:

Table 4.8: Shareholders in the Company as at 24/06/1445H (corresponding to 06/01/2024G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	15,750,000	10	157,500,000	52.50%
Terad Damouk Mutlaq Al-Ghowairi	6,750,000	10	67,500,000	22.50%
Mutlaq Mohamed Damouk Al-Ghowairi	1,270,800	10	12,708,000	4.24%
Abdulmajid Mohamed Damouk Al-Ghowairi	708,600	10	7,086,000	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	708,600	10	7,086,000	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	708,300	10	7,083,000	2.36%
Nayef Mohamed Damouk Al-Ghowairi	708,300	10	7,083,000	2.36%
Moudi Ajmi Sanhat Al-Otaibi	562,500	10	5,625,000	1.88%
Nada Mohamed Damouk Al-Ghowairi	354,300	10	3,543,000	1.18%
Nouf Mohamed Damouk Al-Ghowairi	354,300	10	3,543,000	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	354,300	10	3,543,000	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	354,000	10	3,540,000	1.18%
Reem Mohamed Damouk Al-Ghowairi	354,000	10	3,540,000	1.18%
Shatha Mohamed Damouk Al-Ghowairi	354,000	10	3,540,000	1.18%
Noura Mohamed Damouk Al-Ghowairi	354,000	10	3,540,000	1.18%
Hind Mohamed Damouk Al-Ghowairi	354,000	10	3,540,000	1.18%
Total	30,000,000	-	300,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.9 Change in the Nominal Value of the Company's Shares (2024G)

Pursuant to the resolution of the Company's Extraordinary General Assembly dated 16/07/1445H (corresponding to 28/01/2024G), the nominal value of the Company's Shares was reduced from SAR 10 per Share to SAR 1 per Share. Following the change in the nominal value of the Shares, the Company's ownership structure was as follows:

Table 4.9: Shareholders in the Company as at 16/07/1445H (corresponding to 28/01/2024G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	157,500,000	1	157,500,000	52.50%
Terad Damouk Mutlaq Al-Ghowairi	67,500,000	1	67,500,000	22.50%
Mutlaq Mohamed Damouk Al-Ghowairi	12,708,000	1	12,708,000	4.24%
Abdulmajid Mohamed Damouk Al-Ghowairi	7,086,000	1	7,086,000	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	7,086,000	1	7,086,000	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	7,083,000	1	7,083,000	2.36%
Nayef Mohamed Damouk Al-Ghowairi	7,083,000	1	7,083,000	2.36%
Moudi Ajmi Sanhat Al-Otaibi	5,625,000	1	5,625,000	1.88%
Nada Mohamed Damouk Al-Ghowairi	3,543,000	1	3,543,000	1.18%
Nouf Mohamed Damouk Al-Ghowairi	3,543,000	1	3,543,000	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	3,543,000	1	3,543,000	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	3,540,000	1	3,540,000	1.18%
Reem Mohamed Damouk Al-Ghowairi	3,540,000	1	3,540,000	1.18%
Shatha Mohamed Damouk Al-Ghowairi	3,540,000	1	3,540,000	1.18%
Noura Mohamed Damouk Al-Ghowairi	3,540,000	1	3,540,000	1.18%
Hind Mohamed Damouk Al-Ghowairi	3,540,000	1	3,540,000	1.18%
Total	300,000,000	-	300,000,000	100%

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.3.2.10 Change in the Company's Share Capital (2024G)

Pursuant to the resolution of the Company's Extraordinary General Assembly dated 14/09/1445H (corresponding to 24/03/2024G), the Company's share capital was increased from SAR 300,000,000, divided into 300,000,000 Shares with a nominal value of SAR 1 per Share, to SAR 800,000,000, divided into 800,000,000 Shares with a nominal value of SAR 1 per Share. This increase was achieved by capitalizing SAR 500,000,000 from the retained earnings account. Following the share capital increase, the Company's ownership structure was as follows:

Table 4.10: Shareholders in the Company as at 24/09/1445H (corresponding to 03/04/2024G)

Shareholder	Number of Shares	Share Value (SAR)	Total Value (SAR)	Ownership Percentage ⁽¹⁾
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	420,000,000	1	420,000,000	52.50%
Terad Damouk Mutlaq Al-Ghowairi	180,000,000	1	180,000,000	22.50%
Mutlaq Mohamed Damouk Al-Ghowairi	33,888,000	1	33,888,000	4.24%
Abdulmajid Mohamed Damouk Al-Ghowairi	18,896,000	1	18,896,000	2.36%
Abdulmohsen Mohamed Damouk Al-Ghowairi	18,896,000	1	18,896,000	2.36%
Abdullah Mohamed Damouk Al-Ghowairi	18,888,000	1	18,888,000	2.36%
Nayef Mohamed Damouk Al-Ghowairi	18,888,000	1	18,888,000	2.36%
Moudi Ajmi Sanhat Al-Otaibi	15,000,000	1	15,000,000	1.88%
Nada Mohamed Damouk Al-Ghowairi	9,448,000	1	9,448,000	1.18%
Nouf Mohamed Damouk Al-Ghowairi	9,448,000	1	9,448,000	1.18%
Wafaa Mohamed Damouk Al-Ghowairi	9,448,000	1	9,448,000	1.18%
Asmaa Mohamed Damouk Al-Ghowairi	9,440,000	1	9,440,000	1.18%
Reem Mohamed Damouk Al-Ghowairi	9,440,000	1	9,440,000	1.18%
Shatha Mohamed Damouk Al-Ghowairi	9,440,000	1	9,440,000	1.18%
Noura Mohamed Damouk Al-Ghowairi	9,440,000	1	9,440,000	1.18%
Hind MohamedMohamed Damouk Al-Ghowairi	9,440,000	1	9,440,000	1.18%
Total	800,000,000	-	800,000,000	100%

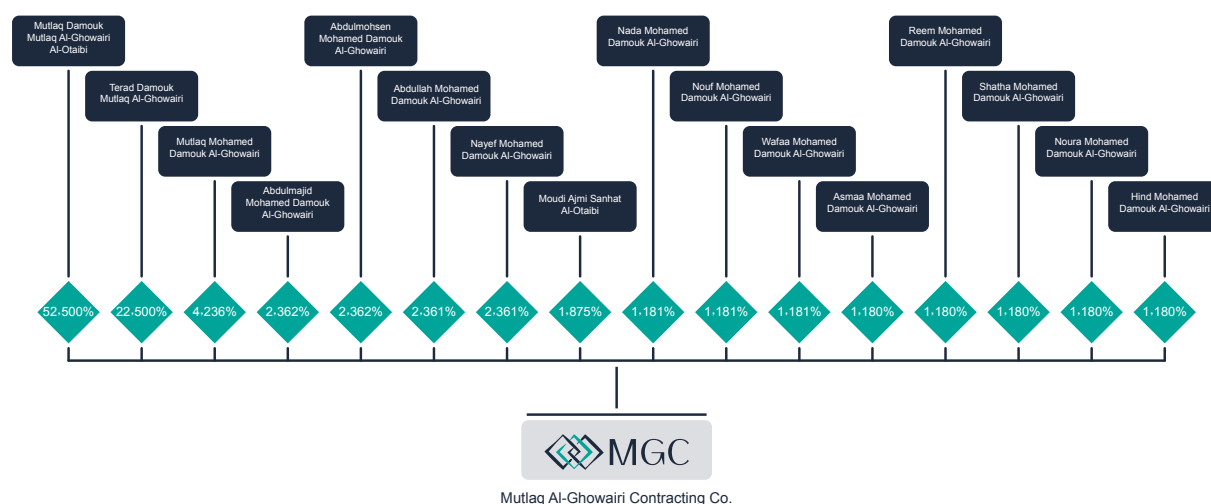
Source: The Company

⁽¹⁾ The ownership percentages are rounded.

4.4 Ownership Structure of the Company Pre- and Post-Offering

As at the date of this Prospectus, the Company's share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares with a fully paid nominal value of SAR 1 per Share. The following figure sets out the Company's ownership structure as at the date of this Prospectus:

Figure 4.1: Ownership Structure of the Company as at the Date of this Prospectus



Source: The Company.

The following table shows the direct ownership structure of the Company pre- and post-Offering:

Table 4.11: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi ⁽²⁾	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi ⁽²⁾	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Mutlaq Mohamed Damouk Al-Ghowairi ⁽²⁾	33,888,000	4.236%	33,888,000	28,000,000	3.500%	28,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdullah Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Nayef Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Moudi Ajmi Sanhat Al-Otaibi	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Nada Mohamed Damouk Al-Ghowairi	9,448,000	1.181%	9,448,000	9,448,000	1.181%	9,448,000
Nouf Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Wafaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Asmaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Reem Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Shatha Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Noura Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Hind Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Public ⁽³⁾	-	-	-	240,000,000	30.000%	240,000,000
Total	800,000,000	100%	800,000,000	800,000,000	100%	800,000,000

Source: The Company

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ Selling Shareholder.

⁽³⁾ The "Public" row represents the number and percentage of Shares being offered to the Public under the Offering, amounting to 240,000,000 Shares, equivalent to 30.00% of the Company's share capital. This does not include the shares that will be owned after the Offering by certain Current Shareholders who meet the definition of "public" under the CMA regulations, namely Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, Hind Mohamed Damouk Al-Ghowairi, and Nada Mohamed Damouk Al-Ghowairi. Thus, the total number of Shares owned by the Public after the Offering will be 337,448,000 Shares, representing 42.181% of the Company's share capital.

4.5 Substantial Shareholders and Shareholders Acting in Concert Pre- and Post-Offering

The following table details the Substantial Shareholders and Shareholders Acting in Concert pre- and post-Offering:

Table 4.12: Details of the Substantial Shareholders and Shareholders Acting in Concert Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Substantial Shareholders						
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Total	600,000,000	75.000%	600,000,000	381,760,000	47.720%	381,760,000
Shareholders Acting in Concert						
Moudi Ajmi Sanhat Al-Otaibi ⁽²⁾	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Total	52,792,000	6.599%	52,792,000	52,792,000	6.599%	52,792,000

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ The guardianship of Moudi Ajmi Sanhat Al-Otaibi over her minor children has been considered as acting in concert.

4.6 Company Branch

As at the date of this Prospectus, the Company has one branch. The following table sets out the details of the Company's branch:

Table 4.13: Details of the Company's Branch

No.	Branch Name as per the Registration Certificate	Registration Number	Registration Date	Annual Confirmation Date	Location	Branch Activity as per the Commercial Register
1	Mutlaq Al-Ghowairi Contracting Co.	1010400529	05/03/1435H (corresponding to 06/01/2014G)	22/01/1447H (corresponding to 17/07/2025G)	Riyadh	Import, export, wholesale and retail of building materials, light and heavy equipment, crusher machines, water pumps, electric and air generators and their accessories, water tanks and their accessories, electrical control devices, measuring devices and their accessories, and water pipes.

Source: The Company.

4.7 Overview of the Company's Business

The Company commenced its business activities in 1977G and is one of the leading companies specialized in infrastructure projects in the water, transportation, and urban development sectors, as well as the related construction, operation, and maintenance works. The Company's excellence and success are attributed to several factors, most notably the Company's resources. The number of the Company's employees stood at 4,713 as at 31 December 2025G, while the Company's fleet totaled 1,493 as at 31 December 2025G. Furthermore, the Company's financial and technical competencies enable it to complete projects with the highest standards of quality, accuracy, commitment, safety, and environmental sustainability. The Company's excellence is also attributable to its experience in infrastructure projects spanning more than 47 years. During such period, the Company has developed its competitive capabilities to reach a leading position and has continuously achieved notable successes during its leadership within the Kingdom's infrastructure sector.

The Company's business model is centered around providing integrated and specialized services for infrastructure projects and tailored solutions for its clients. This extends over several stages that include design and supply works and establishing and constructing projects, followed by operating and maintaining such projects in accordance with the scope of the relevant contract.

The Company's headquarters is located in the city of Riyadh, the Kingdom. As at 30 June 2025G, all the Company's operations are in the Kingdom and the Company does not have any business or assets outside the Kingdom.

As at the date of this Prospectus, the Company has installed more than 2,000,000 linear meters of water transmission pipelines made of various materials, including carbon steel, ductile iron, and fiberglass-reinforced concrete. The Company has also constructed water tanks with a total capacity in excess of 4,000,000 cubic meters and has established pumping stations with a total capacity in excess of 2,000,000 cubic meters per day throughout the various regions of the Kingdom. Furthermore, the Company recently completed more than 70 transportation infrastructure and road development projects, including the construction of more than 200,000 linear meters of sidewalks, more than 500,000 cubic meters of concrete work, projects to increase and improve safety on various roads with lengths exceeding 10,000 linear kilometers, and more than 25,000,000 cubic meters of excavation and construction works.

The Company's business is divided into two main segments: construction works and operation and maintenance works. The following table sets out the value of revenues generated from the Company's main business segments for construction works and operation and maintenance works and the percentage of revenues generated from each during the financial years ended 31 December 2022G, 2023G, and 2024G and the six-month period ended 30 June 2025G:

Table 4.14: Value of Revenue Generated from the Company's Main Business Segments for Construction Works and Operation and Maintenance Works and the Percentage of the Company's Contracts Revenue Generated from Each During the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Periods Ended 30 June 2024G and 2025G

Business Segment	Type of Projects	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2024G		Six-Month Period Ended 30 June 2025G	
		Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)
Construction Works											
Construction works for water facilities	EPC Projects for water transmission systems (pumping and piping)	1,213.7	53.1%	2,032.6	61.6%	1,981.1	61.2%	1,149.9	74.06%	570.0	38.1%
	EPC Projects for strategic tanks	78.6	3.4%	18.3	0.6%	-	-	-	-	-	-
	EPC Projects for water purification plants	12.3	0.5%	6.4	0.2%	-	-	-	-	-	-
Total		1,304.6	57.1%	2,057.3	62.3%	1,981.1	61.2%	1,149.9	74.06%	570.0	38.1%
Construction works for environmental facilities and sanitation systems	EPC Projects for treated wastewater transmission systems, wastewater main lines and wastewater networks	759.8	33.2%	856.2	25.9%	336.5	10.4%	75.7	4.90%	414.7	27.7%
	EPC Projects for treated water tanks	-	-	-	-	-	-	-	-	-	-
	EPC Projects for irrigation networks	-	-	54.2	1.6%	127.3	3.9%	51.4	3.30%	27.8	1.9%
Total		759.8	33.2%	910.4	27.6%	463.8	14.3%	127.1	8.20%	442.5	29.6%
Construction works for transportation facilities	EPC Projects for roads	21.1	0.9%	2.7	0.1%	-	-	-	-	-	-
	EPC Projects for bridges	-	-	-	-	-	-	-	-	-	-
	EPC Projects related to road safety development projects	5.5	0.2%	-	-	114.2	3.5%	4.4	0.28%	122.9	8.2%
Total		26.6	1.2%	2.7	0.1%	114.2	3.5%	4.4	0.28%	122.9	8.2%

Business Segment	Type of Projects	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2024G		Six-Month Period Ended 30 June 2025G	
		Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)	Revenue (SAR million)	Share of Revenue (%)
Construction works for flood risk prevention	EPC Projects for flood drainage networks	-	-	-	-	-	-	-	-	-	-
	EPC Projects for flood risk prevention	1.2	0.1%	42.9	1.3%	278.1	8.6%	126.3	8.12%	101.0	6.8%
Total		1.2	0.1%	42.9	1.3%	278.1	8.6%	126.3	8.12%	101.0	6.8%
Construction works for urban development	EPC Projects for site development and layout (landscape) works, earthworks, and land leveling and paving (hardscape) works	43.8	1.9%	16.8	0.5%	-	-	-	-	-	-
	EPC Projects for infrastructure development projects, urban development projects, and sustainable development projects	4.9	0.2%	4.5	0.1%	-	-	-	-	-	-
	Total	48.7	2.1%	21.3	0.6%	-	-	-	-	-	-
Operation and Maintenance Works											
Operation and maintenance works for water facilities	Operation and maintenance of water treatment plants, water tanks and water networks	57.9	2.5%	32.2	1.0%	3.4	0.1%	1.7	0.11%	3.2	0.2%
	Operation and maintenance of water transmission systems (pumping and piping)	-	-	-	-	-	-	-	-	-	-
Total		57.9	2.5%	32.2	1.0%	3.4	0.1%	1.7	0.11%	3.2	0.2%
Operation and maintenance works for transportation facilities	Operation and maintenance of roads and bridges	87.7	3.8%	233.6	7.1%	397	12.3%	143.2	9.23%	256.3	17.1%
	Operation and maintenance of road safety development projects	-	-	-	-	-	-	-	-	-	-
Total		87.7	3.8%	233.6	7.1%	397	12.3%	143.2	9.23%	256.3	17.1%

Source: The Company.

4.7.1 Description of Construction Works

The Company undertakes construction works related to infrastructure in the water, transportation, and urban development sectors, as well as other construction projects including asset enhancement projects. The Company's EPC Projects are a comprehensive approach to project completion whereby the Company oversees the entire project life cycle, from initial design and engineering, through the purchase of materials and equipment, to construction. EPC contracts are commonly used across various sectors as they are suitable for completing complex infrastructure projects that require multi-disciplinary expertise. The EPC approach requires the Company to undertake the following key tasks:

- **Engineering:** This includes the detailed design and planning of the project, including architectural, structural, electrical and mechanical aspects. Since the engineering tasks undertaken by the Company provide a clear vision of how the project will be executed, they lay the foundation for the subsequent stages and help draw up comprehensive plans and specifications for a given project;
- **Procurement:** Upon completion of the engineering work, the Company sources all materials, equipment and services necessary for project execution. The Company has extensive expertise in managing procurement and logistics services and well-established relationships with suppliers and service providers. This allows the Company to obtain materials, equipment, and services in a timely manner and at the best prices, which in turn helps it complete its projects without cost or schedule overruns; and
- **Construction:** After completing the engineering and procurement works, the Company begins building and assembling the project, managing the construction sites and coordinating with subcontractors, if any. The Company also takes into account compliance with safety and quality standards. The Company's construction operations require careful project management to ensure construction works meet established project schedules and quality standards.

The EPC model is usually followed for the execution of complex construction projects, including infrastructure projects in the water, transportation, and urban development sectors, which require a high degree of coordination, risk management, and adherence to strict schedules, in order to ensure effective execution, mitigate risks, and achieve standards, procedures, and goals determined by the project owners.

The Company's revenue from construction works amounted to SAR 2,140.8 million, SAR 3,034.5 million, SAR 2,837.1 million, and SAR 1,236.4 million for the financial years ended 31 December 2022G, 2023G, and 2024G and the six-month period ended 30 June 2025G, respectively, representing 93.6%, 91.9%, 87.6%, and 82.7% of the Company's contracts revenue for the same financial periods, respectively.

4.7.1.1 Construction Works Segments

The following is a description of the construction works segments and the types of projects that fall thereunder:

a. Construction Works for Water Facilities

The Company executes EPC Projects related to water transmission systems, strategic tanks, and water purification plants.

- **EPC Projects for Water Transmission Systems (Pumping and Piping):**

Delivering water in the quantity and quality required under a contract entails thorough knowledge of water transmission systems projects. The Company designs water pumping stations and pipes based on technical data that requires full knowledge of all hydraulic and execution studies to ensure that water reaches operational tanks before transmission to residential homes, while preserving and rationalizing energy consumption throughout all stages of the project. Following the engineering stage, the Company carefully selects and sources pumps, pipes, valves and control systems of the highest quality at competitive prices, owing to the Company's relationships and history with the suppliers of such equipment, while ensuring meeting project specifications and achieving the highest local content percentages in line with Vision 2030 given its importance for sustainability and proper functioning of facilities. After the procurement stage, the Company also builds pumping stations and installs pipelines based on safety and security policies and technical data related to project management and structural engineering.

- **EPC Projects for Strategic Tanks:**

The Company has extensive experience in executing strategic tanks projects. It employs its technical capabilities to design the tanks in accordance with the highest international standards and enlists the help

of the top engineering firms to use their technical expertise. After the engineering phase, the Company meticulously selects and sources high quality materials to be used for execution at competitive prices, owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications and environmental considerations, given the critical importance of the sustainability and proper functioning of the facility. Following the procurement stage, the Company constructs the tanks in line with safety and security policies and technical data relevant to project management and structural engineering.

- **EPC Projects for Water Purification Plants:**

Using state-of-the-art methods and technical practices, the Company cooperates with specialist companies to design water purification plants in order to achieve the required quality while maintaining rationalization of energy consumption at all stages. Following the engineering stage, the Company meticulously selects and sources the highest quality materials to be used at competitive rates, owing to the relationships and history of the Company and its associates with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company and its associates construct water purification plants in accordance with the contractual and technical specifications, taking into account safety systems and quality standards.

The Company's revenue from the construction works for water facilities amounted to SAR 1,304.5 million, SAR 2,057.3 million, SAR 1,981.1 million, and SAR 570.0 million for the financial years ended 31 December 2022G, 2023G, and 2024G and the six-month period ended 30 June 2025G, respectively, representing 57.1%, 62.3%, 61.2%, and 38.1% of the Company's contracts revenue for the same financial periods, respectively.

b. Construction Works for Environmental Facilities and Sanitation Systems

The Company executes EPC Projects related to transmission systems for treated wastewater, wastewater main lines, and wastewater networks, in addition to treated water tanks and irrigation networks.

- **EPC Projects for Treated Wastewater Transmission Systems, Wastewater Main Lines, and Wastewater Networks:**

The Company designs systems, networks and lines based entirely on technical data related to flow rates, terrain and environmental regulatory requirements. Following the engineering stage, the Company meticulously selects and sources the highest quality materials to be used at competitive rates, owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications, given the critical importance of the sustainability and proper functioning of the facility. After the procurement phase, the Company builds and digs trenches, lays pipes and installs, tests and operates pumps and control systems to ensure their satisfactory performance.

- **EPC Projects for Treated Water Tanks:**

The Company has extensive experience in executing this type of project. It employs its technical capabilities to design treated water tanks in accordance with the highest international standards and enlists the help of the top engineering firms to use their technical expertise. Following the engineering phase, the Company meticulously selects and sources the highest quality materials to be used for execution at competitive prices, owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications and environmental considerations, given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company constructs the tanks in line with safety and security policies and technical data relevant to project management and structural engineering.

- **EPC Projects for Irrigation Networks:**

The Government attaches particular importance to this type of project, since it is the embodiment of sustainability and allows the reuse of treated water for agriculture and irrigation purposes. As such, the Company designs irrigation network plans based on technical data related to the water sources used. Following the engineering phase, the Company meticulously selects and sources the highest quality materials and equipment, including pipes, valves, pumps, and control systems at competitive prices owing to the

Company's relationships and history with the suppliers of such materials and equipment. During the course of that, the Company pays due attention to the relevant project specifications, given the critical importance of the sustainability and proper functioning of the facility. After the procurement phase, the Company builds and digs trenches, lays pipes, and installs, tests, and operates control systems to ensure their satisfactory performance and highly-efficient transmission of water.

The Company's revenue from construction works for environmental facilities and sanitation systems amounted to SAR 759.8 million, SAR 910.3 million, SAR 463.8 million, and SAR 442.5 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 33.2%, 27.6%, 14.3%, and 29.6% of the Company's contracts revenue for the same financial periods, respectively.

c. Construction Works for Transportation Facilities

The Company executes EPC Projects related to roads, bridges, and road safety development projects.

- **EPC Projects for Roads:**

The Company prepares feasibility studies, conducts traffic analysis, and designs and develops plans and specifications based on technical data related to traffic volume and safety standards. Following the engineering stage, the Company meticulously selects and sources the highest quality materials, equipment and services necessary for road construction, such as asphalt, concrete, iron, construction equipment and labor at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company constructs roads in line with the approved plans and specifications. This entails carrying out the necessary excavation, paving and sanitation works, constructing bridges and installing signs, among other infrastructure works.

- **EPC Projects for Bridges:**

The Company engineers bridges through a highly precise process that includes design and engineering considerations based on technical data relating to load capacity, traffic load, wind resistance, seismic considerations, location, and environmental conditions. Following the engineering stage, the Company meticulously selects and sources the highest quality materials, equipment and services necessary for the construction of roads with at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company constructs bridges according to the approved plans and specifications. This entails the use of heavy equipment and working from considerable heights while adhering to the highest safety standards.

- **EPC Projects Related to Road Safety Development Projects:**

In road safety development projects, the Company evaluates the current infrastructure and identifies areas and mechanisms for improvement. These projects may include constructing sidewalks, improving street lighting, installing traffic management measures, or updating signs and signage. Following the previous engineering or evaluation phase, the Company meticulously selects and sources high quality materials, equipment and services necessary for the road safety developments, such as paving materials, street lighting fixtures, traffic management devices and signage at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of this, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company commences the construction process for road safety development projects, which may be described as less complex than that of similar projects, such as road or bridge construction projects. This process focuses on ensuring proper and safe installation in line with safety standards.

The Company's revenue from the construction works for transportation facilities amounted to SAR 26.6 million, SAR 2.7 million, SAR 114.2 million, and SAR 122.9 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 1.2%, 0.1%, 3.5%, and 8.2% of the Company's contracts revenue for the same financial periods, respectively.

d. Construction Works for Flood Risk Prevention

The Company executes EPC Projects related to flood drainage networks and flood risk prevention.

- **EPC Projects Related to Flood Drainage Networks:**

The Kingdom has taken measures to protect its citizens and both public and private property from the risks posed by rainfall, flooding and rising surface water levels, while also working to make use of such water, including installing flood drainage networks that aim to collect and transmit rainwater to a suitable drainage channel such as valleys. The Company designs flood drainage networks based on technical data on the drainage area, rainfall intensity, water flow rate, pipe size and materials, as well as all other considerations that ensure proper water flow. Following the engineering stage, the Company meticulously selects and sources the highest quality pipes, fittings, networks and other building materials and supplies at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company constructs flood drainage in line with the approved plans and specifications. This entails excavation work, pipe installation and construction of entrances and exits integrated with the existing infrastructure.

- **EPC Projects Related to Flood Risk Prevention:**

Flood prevention systems are a set of preventive measures that may be earthen dams or concrete flood walls, and could involve the improvement of existing channels, such as widening, restoring or deepening them. The Company prepares flood risk assessment studies and potential solutions, and designs flood protection measures. Following the engineering stage, the Company meticulously selects and sources the highest quality materials, manpower and building supplies at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company constructs flood protection networks in accordance with the approved plans and specifications.

The Company's revenue from construction works for flood risk prevention solutions amounted to SAR 1.2 million, SAR 42.9 million, SAR 278.1 million, and SAR 101.0 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 0.1%, 1.3%, 8.6%, and 6.8% of the Company's contracts revenue for the same financial periods, respectively.

e. Construction Works for Urban Development

The Company executes EPC Projects for site development and landscape design, earthworks, land leveling, paving (hardscape) works, infrastructure development projects, urban development projects, and sustainable development projects.

- **EPC Projects for Site Development and Landscape Design, Earthworks, Land Leveling and Paving (Hardscape) Works:**

The Company carries out engineering, design, and site preparation works (such as earthwork and services), utility infrastructure (such as designing and identifying irrigation and electricity systems) and agro-environmental engineering (such as developing plans for irrigation and agriculture). Following the engineering stage, the Company meticulously selects and sources the highest quality materials, equipment and services, as well as requirements for paving works, parking lots, plazas and walkways, at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications, given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company prepares and furnishes the site, constructs facilities and infrastructure, executes earthworks, installs external surfaces, vegetation, green roofs, and landscaping in accordance with the approved plans and specifications.

- **EPC Projects for Infrastructure Projects, Urban Development Projects, and Sustainable Development Projects:**

The Company undertakes infrastructure engineering and design works to develop districts and neighborhoods, as required by the scope of civil, mechanical, and electrical works, energy and efficiency requirements, water conservation and renewable energy sources. Following the engineering stage, the Company selects and

sources the highest quality materials, equipment, and services at competitive prices owing to the Company's relationships and history with the suppliers of such materials. During the course of that, the Company pays due attention to the relevant project specifications given the critical importance of the sustainability and proper functioning of the facility. After the procurement stage, the Company commences the construction process for various urban development projects such as public infrastructure, buildings, transportation facilities and the renovation of existing buildings in order to improve energy efficiency and sustainability.

The Company's revenue from construction works for urban development amounted to SAR 48.7 million and SAR 21.3 million for the financial years ended 31 December 2022G and 2023G, respectively, representing 2.1% and 0.6% of the Company's contracts revenue for the same financial periods, respectively. The Company did not generate any revenues from the construction works for urban development segment during 2024G and the six-month period ended 30 June 2025G.

4.7.1.2 Ongoing Construction Works Projects

The following table details the Company's ongoing projects related to construction works by business segment as at 13/11/1447H (corresponding to 30/04/2026G), the project completion percentages, and the percentage of revenue recognized as at 30 June 2025G:

Table 4.15: Details of the Company's Ongoing Projects Related to Construction Works by Business Segment as at 13/11/1447H (corresponding to 30/04/2026G), Project Completion Percentages, and Percentage of Revenue Recognized as at 30 June 2025G:

No.	Project Owner/ Client	Project Description	Estimated Project Duration As at 16/12/2025G ⁽¹⁾	Project Value	Completion Percentage (Cumulative Revenue Recognized) as at 30 June 2025G	Completion Percentage (Revenue Recognized) from 1 January 2025G until 30 June 2025G
Construction Works for Water Facilities						
1	Client 1	Design and Build Project for a water transmission system from Albid'e main tank to Lower Mountain and Visitor's Center Tank, including (1) designing, constructing, testing, and operating a potable water transmission system; and (2) constructing 3 pumping stations with a capacity of 96 million liters per day; (3) constructing two pumping stations with a capacity of one million liters per day; and (4) constructing six brake pressure tanks.	909 days starting from 22/06/1444H (corresponding to 15/01/2023G) until 17/01/1447H (corresponding to 12/07/2025G). The project is in the process of being extended for an additional period to execute work orders issued by the client and some changes to the previously approved project workflow stages.	SAR 1,430,000,000 (amended by variation orders to become SAR 1,449,901,536)	98.0%	5.5%
2	Client 1	Design and Build Project for the water transmission system extending from Gayal to the Albid'e tank and the pressure brake tank in Magna, including: (1) designing, constructing, testing, and operating a potable water transmission system; and (2) constructing a pumping system with a capacity of 210 million liters per day; and (3) a water tank with brake pressure tanks.	848 days starting from 22/06/1444H (corresponding to 15/01/2023G) until 03/11/1446H (corresponding to 01/05/2025G). The project contract is being extended to formally recognize the additional period during which the project was previously carried out through work orders issued by the client and some changes to the previously approved project workflow stages. The Company also requested project handover and issuance of the provisional acceptance certificate.	SAR 784,800,000. (Amended by variation orders to become SAR 804,799,618) The value is expected to be revised to become SAR 828,351,276 since the Company executed additional works at the client's request.	98.8%	3.2%
3	Saudi Water Authority	EPC Project for the Khobar-Al-Hofuf water transmission system (Phase II), Groups (B+C). This includes: (1) supplying pipes for the water transmission system; and (2) design and construct plants for the transmission system stations to supply water between the cities of Khobar and Al-Hofuf with a pumping capacity of approximately 500,000m ³ of water per day.	1,047 days starting from 09/09/1443H (corresponding to 10/04/2022G) until 21/08/1446H (corresponding to 20/02/2025G). The provisional acceptance certificate was issued by the Saudi Water Authority in February 2025G. and the final acceptance certificate is expected to be issued in May 2026G.	SAR 747,000,000 (amended by change orders to become SAR 782,285,067)	100%	2.7%

No.	Project Owner/ Client	Project Description	Estimated Project Duration As at 16/12/2025G ⁽¹⁾	Project Value	Completion Percentage (Cumulative Revenue Recognized) as at 30 June 2025G	Completion Percentage (Revenue Recognized) from 1 January 2025G until 30 June 2025G
4	National Water Company	EPC Project for water pipelines and the northern tank on Al-Haramain Road in the Taiba neighborhood.	Approximately 36 months starting from 01/09/1443H (corresponding to 27/04/2022G) until 29/10/1446H (corresponding to 27/04/2025G). The provisional acceptance certificate was issued by the National Water Company in February 2025G and the final acceptance certificate is expected to be issued in May 2026G.	SAR 222,750,000 (amended by a change order to become SAR 220,749,535.00)	100%	-
5	National Water Company	Design and execution Project for the Third Ring Road Supply Project in the Al-Kakiyyah area.	Approximately 27 months starting from 27/09/1443H (corresponding to 28/04/2022G) until 21/01/1446H (corresponding to 27/07/2024G). The provisional acceptance certificate was issued by the National Water Company in October 2024G and the final acceptance certificate is expected to be issued in October 2026G.	SAR 55,000,000	100%	-
6	National Water Company	Completion of a Water Pumping System for centers and towns in the Qassim region.	Approximately 36 months starting from 14/02/1446H (corresponding to 18/08/2024G) until 16/03/1449H (corresponding to 18/08/2027G).	SAR 120,339,563.38	53.4%	42.8%
7	Saudi Water Authority	Procurement and execution for a Water Transmission System -Ras Al-Khair-Riyadh (H&I) - Group (C2)	1,095 days starting from 14/02/1446H (corresponding to 18/08/2024G) until 16/03/1449H (corresponding to 18/08/2027G).	SAR 448,000,000	38.5%	17.5%
8	Saudi Water Authority	Project for a desalination plant with a capacity of 600,000 cubic meters.	Approximately 24 months starting from 10/11/1446H (corresponding to 08/05/2025G) until 02/12/1448H (corresponding to 08/05/2027G).	SAR 2,040,000,000	-	-
9	Client 2	Procurement and construction project of a water transmission system in Al-Ula.	Approximately 18 months starting from 14/03/1446H (corresponding to 18/09/2024G) until 13/10/1447H (corresponding to 31/03/2026G). The Company also requested project handover and issuance of the provisional acceptance certificate. Pending the client's completion of the necessary procedures for issuing the provisional acceptance certificate.	SAR 228,953,512	43.5%	26.1%
10	Client 2	Procurement and construction project for the expansion of an existing wellfield system in Al-Ula.	Approximately 12 months commencing from 20/09/1447H (corresponding to 09/03/2026G) until 20/09/1448H (corresponding to 27/02/2027G).	SAR 139,500,000	-	-
11	National Water Company	Project to Upgrade the Efficiency and Capacity of the AL-Mashaer Tank – Al-Muaissim (90).	Approximately 12 months starting from 28/12/1445H (corresponding to 04/07/2024G) until 09/01/1447H (04/07/2025G). The provisional acceptance certificate was issued by the National Water Company in May 2025G and the final acceptance certificate is expected to be issued in May 2026G.	SAR 78,440,000.00	93.5%	67.9%

No.	Project Owner/ Client	Project Description	Estimated Project Duration As at 16/12/2025G ⁽¹⁾	Project Value	Completion Percentage (Cumulative Revenue Recognized) as at 30 June 2025G	Completion Percentage (Revenue Recognized) from 1 January 2025G until 30 June 2025G
12	National Water Company	Project to Complete the Development of the Water Network in the city of Hail.	Approximately 36 months starting from 17/04/1446H (corresponding to 20/10/2024G) until 20/05/1449H (corresponding to 20/10/2027G).	SAR 132,350,000.00	9.3%	7.9%
13	National Water Company	Reconstruction and replacement project for the main circular drinking-water transmission pipelines in Makkah (Phase 3), in accordance with the recommendations of the Makkah general plan consultant.	Approximately 48 months starting from 01/05/1447H (corresponding to 23/10/2025G) until 15/06/1451H (corresponding to 23/10/2029G).	SAR 370,000,000	-	-
14	National Water Company	Project to Construct the Main Water Pipelines from the Strategic Tank Sites to the Prophet's Mosque and the Development Area.	Approximately 36 months starting from 20/04/1447H (corresponding to 12/10/2025G) until 23/05/1450H (corresponding to 12/10/2028G).	SAR 297,570,000	-	-
15	Stream Water Transmission Company	A Water Transmission Pipelines Project Extending from the Eastern region to Qassim region.	Approximately 54 months starting from 17/12/1446H (corresponding to 13/06/2025G) until 09/02/1453H (corresponding to 31/05/2031G).	SAR 6,637,560,563	2.6%	2.6%
Construction Works for Environmental Facilities and Sanitation Systems						
1	Client 3 (a main contractor of another company (the project owner), which is in turn engaged under a build-own-operate (BOO) contract concluded with a Government entity)	EPC Project for a water plant in the Western region.	Approximately 29 months starting from 28/09/1442H (corresponding to 10/05/2021G) until 25/03/1445H (corresponding to 18/10/2023G). The provisional acceptance certificate was issued in January 2026G, confirming the provisional acceptance of the project as at May 2024G. The final acceptance certificate is expected to be issued in July 2026G.	SAR 804,000,000. The value is expected to be revised to SAR 888,821,429 upon the issuance of change orders for additional works performed by the Company.	100%	-
2	Client 4	EPC Project for the Independent Sewage Treatment Plant in the Western Region with a capacity of 200,000 cubic meters per day.	Approximately 32 months starting from 21/06/1443H (corresponding to 24/01/2022G) until 28/03/1446H (corresponding to 01/10/2024G). The Company requested a project extension for an additional 25 months until 20/05/1448H (corresponding to 31/10/2026G).	The Company's share of the agreement is USD 61,524,400 (equivalent to SAR 230,716,500). The value was reduced to USD 53,620,417 (equivalent to SAR 201,076,564), and the value was increased by SAR 25,000,000, to become SAR 226,076,564.	95.9%	14.5%
3	Client 5	EPC Project for an Independent Sewage Treatment Plant in the Qassim region with a capacity of 150,000 cubic meters per day.	Approximately 32 months starting from 21/06/1443H (corresponding to 24/01/2022G) until 28/03/1446H (corresponding to 01/10/2024G). The project is being extended to officially document the additional period during which certain supplementary works were executed. The provisional acceptance certificate was issued in December 2025G, confirming the provisional acceptance of the project as at June 2025G. The final acceptance certificate is expected to be issued in June 2027G.	The Company's share of the agreement is USD 63,755,200 (equivalent to SAR 239,082,000). The value was reduced to USD 61,445,867 (equivalent to SAR 230,422,001)	100%	2.1%

No.	Project Owner/ Client	Project Description	Estimated Project Duration As at 16/12/2025G ⁽¹⁾	Project Value	Completion Percentage (Cumulative Revenue Recognized) as at 30 June 2025G	Completion Percentage (Revenue Recognized) from 1 January 2025G until 30 June 2025G
4	Royal Commission for Riyadh City	EPC Project for a Water Treatment Plant for the Green Riyadh Program (Phase IV), including the procurement and installation of carbon steel pipes with 1,800 mm diameter and 4 km in length, and a carbon steel pipeline of 1,400 mm diameter and 7 km in length of, including all rooms and annexures.	Approximately 30 months starting from 03/12/1444H (corresponding to 21/06/2023G) until 29/06/1447H (corresponding to 20/12/2025G). The Company also requested project handover and issuance of the provisional acceptance certificate. Pending the client's completion of the necessary procedures for issuing the provisional acceptance certificate.	SAR 210,667,000 (amended by change orders to become SAR 197,087,668.70).	98.8%	13.1%
5	Royal Commission for Riyadh City	Execution of the operational facilities of the treated water network for the Green Riyadh program at the Heet water treatment plant.	Approximately 18 months starting from 01/05/1446H (corresponding to 03/11/2024G) until 16/11/1447H (corresponding to 03/05/2026G).	SAR 516,100,000	7%	3.4%
6	Royal Commission for Riyadh City	EPC Project for the treated water network for the Green Riyadh program (Group 16).	Approximately 20 months starting from 01/05/1446H (corresponding to 03/11/2024G) until 18/01/1448H (corresponding to 03/07/2026G).	SAR 669,962,365	15.7%	10.5%
7	Client 6	EPC Project for the independent sewage treatment plant in Tabuk City with a daily capacity of 90,000 cubic meters.	Approximately 32 months starting from 21/06/1443H (corresponding to 24/01/2022G) until 28/03/1446H (corresponding to 01/10/2024G). The project is being extended to officially document the additional period during which certain previously completed supplementary works were carried out. The provisional acceptance certificate was issued in December 2025G, confirming the provisional acceptance of the project as at June 2025G. The final acceptance certificate is expected to be issued in June 2027G.	The Company's share of the agreement is USD 38,271,067 (equivalent to SAR 143,516,501). The value was reduced to USD 35,151,050 (equivalent to SAR 131,816,438)	100%	5%
8	Al Haer Environmental Services Company	EPC Project for the sewage treatment plant in Riyadh with a capacity of 200,000 cubic meters per day, in addition to other facilities for wastewater disposal and treatment.	Approximately 25 months starting from 14/05/1446H (corresponding to 16/11/2024G) until 01/07/1448H (corresponding to 10/12/2026G).	SAR 1,392,518,213 (the Company's share of the total amount is SAR 655,268,213)	51.5%	40.5%
9	National Water Company	Execution of water and wastewater networks and their annexures projects in the Western Cluster (Makkah Al-Mukarramah) under a fixed-lump system.	Approximately 36 months starting from 23/12/1446H (corresponding to 19/06/2025G) until 26/01/1450H (corresponding to 19/06/2028G).	SAR 1,800,000,000	Not applicable ⁽²⁾	Not applicable ⁽²⁾
10	National Water Company	Design and construct the First Phase of the Treated Water Transmission Pipeline Project for King Abdullah Project to develop of Waad Al-Shamal City – transmission pipeline between Arar and Sakaka.	Approximately 53 months for construction works starting from 10/10/1438H (corresponding to 04/07/2017G) until 07/05/1443H (corresponding to 11/12/2021G) and 44 months for operation and maintenance works starting from 07/05/1443H (corresponding to 11/12/2021G) until 08/03/1446H (corresponding to 31/08/2025G) ⁽³⁾ .	SAR 457,529,861 (amended by change orders and a judicial ruling to become SAR 590,573,986.93) ⁽⁴⁾⁽⁵⁾	100%	-

No.	Project Owner/ Client	Project Description	Estimated Project Duration As at 16/12/2025G ⁽¹⁾	Project Value	Completion Percentage (Cumulative Revenue Recognized) as at 30 June 2025G	Completion Percentage (Revenue Recognized) from 1 January 2025G until 30 June 2025G
11	National Water Company	Design and construct the Second Phase of the Treated Water Transmission Pipeline Project for King Abdullah Project to Develop of Waad Al-Shamal City – transmission pipeline between Arar and Sakaka.	Approximately 53 months for construction works starting from 10/10/1438H (corresponding to 04/07/2017G) until 07/05/1443H (corresponding to 11/12/2021G) and 44 months for operation and maintenance works starting from 07/05/1443H (corresponding to 11/12/2021G) until 08/03/1446H (corresponding to 31/08/2025G) ⁽³⁾ .	SAR 715,405,093.92 (amended by a judicial ruling to become SAR 724,248,743.69) ⁽⁴⁾⁽⁵⁾	100%	-
12	National Water Company	Construction of the Main sewer line (Mina-Al-Aziya) from Mina area to the Arna wastewater treatment plant, serving Mina, Al-Aziya, and Al-Awali aljadeeda area	Approximately 48 months from 16/08/1447H (corresponding to 04/02/2026G) to 16/08/1451H (corresponding to 04/02/2030G).	SAR 607,620,000	-	-
Construction Works for Flood Risk Prevention						
1	Riyadh Municipality	Design, procurement, and construction of rainwater and floodwater drainage channels and networks and to open and develop Wadi As-Sulai drainage basin (Phase Three), which includes installing rainwater and floodwater drainage channels and networks, horizontal drilling works under Dammam Road, modifications, channel opening and debris removal.	Approximately 37 months starting from 22/09/1444H (corresponding to 13/04/2023G) until 20/11/1447H (corresponding to 07/05/2026G).	SAR 477,244,389	88.7%	21.2%
Construction Works for Transportation Facilities						
1	Riyadh Municipality	Maintenance and improvement of the quality of the road, safety, and traffic network in the northern sector of Riyadh. This includes corrective and preventative asphalt maintenance works, painting works, earthworks maintenance, sidewalks, and safety measures..	Approximately 60 months starting from 18/12/1445H (corresponding to 24/06/2024G) until 12/02/1451H (corresponding to 24/06/2029G).	SAR 938,019,185	25.3%	13.1%

Source: The Company.

- (1) The project durations mentioned above are estimated durations that depend on a number of factors, including site readiness and accessibility, and that no work orders are issued that change the project scope and the timeframe necessary for its execution. It should be noted that the durations of some of the projects mentioned above have been modified based on work orders issued by the relevant client (for further information regarding the work orders issued for these projects and their impact on the project duration, please refer to Section 11.6.1 (Company's Agreements with Clients)).
- (2) This agreement is a framework agreement to fix prices and defines the nature of the work to be executed in general and its specified geographical scope. The agreement also includes an expected upper limit for the value of the works required from the Company (for further details, please refer to Section 11.6.1.3 (Company's Agreements with the National Water Company)). Accordingly, the cumulative completion percentage or the revenue recognized cannot be measured due to the special nature of the agreement.
- (3) The Company has executed all required construction works in accordance with the provisions of these agreements, and the final acceptance certificates for these works were issued in December 2022G. The Company is still executing the required operation and maintenance works in accordance with the provisions of the agreements. The Company has submitted letters stating that the required operation and maintenance works have been completed and the site is ready for handover to the client. It is expected that the site will be handed over to the client as soon as the operation and maintenance works for the next period are awarded to one of the contractors by the client.
- (4) The amounts mentioned represent the final amount that the Company received for executing the required works under the agreements and change orders (where applicable) in addition to what was awarded by a judicial ruling from the competent court, as the Company was compensated for additional amounts incurred by the Company as a result of the difference in the quantities required at the award stage from what was required to execute the project in reality.
- (5) The National Water Company issued a purchase order valued at SAR 25,617,050 for these projects due to the extended duration of the operation and maintenance works under the relevant agreements.

The number of completed construction works projects executed by the Company during the previous five years ending 31/12/2025G was 63 projects with a total value of SAR 11,701,182,945. The percentage of projects that were executed on or before schedule was 90% of the total projects. This is a result of the Company's accumulated expertise and ability to complete its projects on schedule and in line with the agreed-upon standards.

All of the above-mentioned projects are related to construction works (for information related to operation and maintenance works projects, please refer to Section 4.7.2.2 (*Ongoing Operation and Maintenance Works Projects*)).

4.7.2 Description of Operation and Maintenance Works

The Company carries out infrastructure operation and maintenance works in the water and transportation sectors. Operation and maintenance works include a comprehensive set of practices and activities necessary for the effective and sustainable management of infrastructure facilities throughout their lifecycle. Operation and maintenance works are important elements in the management of infrastructure facilities in various sectors, including water and transportation. The main elements of operation and maintenance works carried out by the Company include the following:

- **Normal Operation:** Operation and maintenance works aim to facilitate the seamless and cost-effective operation of infrastructure assets. This includes managing daily activities to efficiently provide essential services, optimize resource use, and reduce interruptions and breakdowns;
- **Preventive Maintenance:** Preventive maintenance is an essential part of operation and maintenance and involves regular inspections, scheduled maintenance, and proactive problem detection and resolution. This approach extends the useful life of assets, reduces unexpected failures and ensures reliability;
- **Corrective Maintenance:** Operation and maintenance teams carry out corrective maintenance when equipment malfunctions or unexpected deterioration occurs. This requires timely repairs or modifications to enable assets to once again perform their essential functions and minimize business interruptions;
- **Facility Development and Modernization:** Infrastructure assets often require development and modernization in order for them to remain adequate and effective. Operation and maintenance teams identify opportunities for improvement, implement technical developments, and enhance energy efficiency while adhering to industry best practices and regulatory standards; and
- **Safety and Compliance:** Ensuring a safe environment is critical in operation and maintenance. Compliance with regulatory, environmental, and quality requirements is a cornerstone of sustainable operation and maintenance.

The Company's revenue from operation and maintenance works amounted to SAR 145.6 million, SAR 265.8 million, SAR 400.3 million, and SAR 259.5 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 6.4%, 8.1%, 12.4%, and 17.3% of the Company's contracts revenue for the same financial periods, respectively. Noting that most of the services the Company provides as part of its operation and maintenance works include the provision of maintenance services to its clients.

4.7.2.1 Operation and Maintenance Works Segments

The following is a description of the operation and maintenance works segments and the types of projects falling thereunder:

a. Operation and Maintenance Works for Water Facilities

The Company undertakes operation and maintenance works for water facilities, including the operation and maintenance of water treatment plants, water tanks, water networks, and the operation and maintenance of water transmission systems (pumping and piping).

- **Operation and Maintenance of Water Treatment Plants, Water Tanks, and Water Networks:**

The Company operates treatment plants (by monitoring and managing the treatment processes for all plant works to ensure water quality), in addition to monitoring water tank levels (by maintaining and monitoring water levels, inspecting leaks, and structural integrity and ensuring cleanliness) and water networks (by monitoring water pressure and flow, as well as identifying and fixing leaks). In addition to operation works, the Company carries out maintenance works, including regular preventive maintenance and proactive maintenance (such as using data and information to identify and address potential problems prior to them occurring), corrective maintenance (such as repairing faults and leaks, replacing damaged devices and

equipment and using technology for the same), and other methods adopted by the Company to ensure the swift progress of projects.

- **Operation and Maintenance of Water Transmission Systems (Pumping and Piping):**

The Company operates pumping stations (by monitoring the performance of pumps, adjusting their operation according to the required level, scheduling pump rotation and accounting for any potential damage or wear), water tanks (by maintaining and monitoring water levels, inspecting leaks and pollution, and ensuring cleanliness and decontamination on a regular basis), pipelines (by monitoring water pressure and flow, identifying and fixing leaks and cleaning pipes internally). In addition to operation works, the Company undertakes maintenance works that include preventive maintenance (such as inspecting and maintaining pumps, valves and other equipment, cleaning, and conducting safety assessments on a regular basis) and corrective maintenance (such as repairing faults and leaks, replacing damaged devices and equipment and using technology for the same), in addition to other methods adopted by the Company to ensure the smooth progress of projects.

The Company's revenue from operation and maintenance works for water facilities amounted to SAR 57.9 million, SAR 32.2 million, SAR 3.4 million, and SAR 3.2 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 2.5%, 1.0%, 0.1%, and 0.2% of the Company's contracts revenue for the same financial periods, respectively.

b. Operation and Maintenance Works for Transportation Facilities

The Company undertakes the operation and maintenance works for transportation facilities, including the operation and maintenance of roads and bridges and the operation and maintenance of road safety development projects.

- **Operation and Maintenance of Roads and Bridges:**

The Company carries out operation and maintenance works for road and bridge projects (through maintenance, periodic inspection, paving, repairing cracks and other fissures, applying waterproofing materials, and planning by repainting traffic signs). In order to carry out these works, the Company develops comprehensive operation and maintenance plans (which include identifying the tasks and resources required to ensure the smooth running of the project) along with the necessary budgets for project works and preventive maintenance (which includes identifying anticipated issues or malfunctions and addressing them proactively across multiple sources that include analysis of the data and information available to the Company), in addition to training employees to carry out maintenance tasks safely and effectively, among other methods adopted by the Company to ensure the smooth progress of projects.

- **Operation and Maintenance of Road Safety Development Projects:**

The Company executes road safety development projects (by installing new traffic signals and sidewalk signs, adding sidewalks and walkways for various uses, improving pedestrian crossings, and upgrading guardrails and median barriers), and in order to carry out these works, the Company develops comprehensive operation and maintenance plans (including identifying the tasks and resources required to ensure the smooth running of the project) along with the necessary budgets for project work and preventive maintenance (including identifying anticipated issues or malfunctions and addressing them proactively across multiple sources that include analysis of the data and information available to the Company), in addition to training employees to carry out maintenance tasks safely and effectively, among other methods adopted by the Company to ensure the smooth progress of projects.

The Company's revenue from operation and maintenance works for transportation facilities amounted to SAR 87.7 million, SAR 233.6 million, SAR 397 million, and SAR 256.3 million for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively, representing 3.8%, 7.1%, 12.3%, and 17.1% of the Company's contracts revenue for the same financial periods, respectively.

4.7.2.2 Ongoing Operation and Maintenance Works Projects

The following table details the Company's ongoing operation and maintenance works projects by business segment as at 13/11/1447H (corresponding to 30/04/2026G), and the revenue percentages recognized as at 30 June 2025G:

Table 4.16: Details of the Company's Ongoing Operation and Maintenance Works Projects by Business Segment as at 13/11/1447H (corresponding to 30/04/2026G) and Revenue Percentages Recognized as at 30 June 2025G

#	Project Owner	Project Purpose	Project Duration	Project Value	Value of Revenue Recognized from Beginning of Project until 30 June 2025G	Percentage of Revenue Recognized from Beginning of Project until 30 June 2025G
Operation and Maintenance Works for Transportation Facilities						
1	Riyadh Municipality	Operation, maintenance and cleaning contract for public transport axes in Riyadh.	Approximately 54 months starting from 29/03/1447H (corresponding to 21/09/2025G) until 17/11/1451H (corresponding to 21/03/2030G).	SAR 583,829,678	-	-
2	Ministry of Transport and Logistic Services	Maintenance works for Jeddah – Rabigh – AlMadinah AlMonawarah roads – in Makkah AlMukarramah region	Approximately 60 months starting from 21/09/1447H (corresponding to 10/03/2026G) until 21/09/1451H (corresponding to 10/03/2031G). SAR 123,052,856	SAR 123,052,856	-	-

Source: The Company.

The number of operation and maintenance works projects executed by the Company during the previous five years ending 31/12/2025G was 19 projects with a total value of approximately SAR 742,662,923. The percentage of projects that were executed on or before schedule was 90% of the total projects. This is a result of the Company's accumulated expertise and ability to complete its projects on schedule and in line with the agreed-upon standards.

All of the above-mentioned projects are related to maintenance works (for information related to construction works projects, please refer to Section 4.7.1.2 (*Ongoing Construction Works Projects*)).

4.8 Clients of the Company

4.8.1 Summary of the Company's Clients

The Company undertakes construction works in EPC Projects primarily related to infrastructure in the water, transportation, and urban development sectors. It also undertakes operation and maintenance works related to infrastructure projects in the water and transportation sectors for a diverse client base comprising Government and semi-Governmental entities and the private sector. The Company's client base is highly concentrated, with its revenue coming mainly from Public Sector and Semi-Governmental Clients. For example, revenue from Public Sector and Semi-Governmental Clients represented 74.8%, 79.1%, 92.1%, and 65.5% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G and 2024G and for the six-month period ended 30 June 2025G, respectively. The table below reflects the distribution of the Company's contracts revenue between the government and semi-governmental clients and the private sector, for the financial years ending 31 December 2022G, 2023G, and 2024G, and for the six-month period ended 30 June 2025G, respectively:

Table 4.17: The Company's Contracts Revenue Distribution Between Government and Semi-Government Clients and Private Sector Clients for the Financial Years Ending 31 December 2022G, 2023G, and 2024G, and for the Six-Months Period Ending 30 June 2025G, Respectively:

SAR Million	Financial Year Ended 31 December 2022G (Audited)		Financial Year Ended 31 December 2023G (Audited)		Financial Year Ended 31 December 2024G (Audited)		Six-Month Period Ended 30 June 2025G (unaudited)	
	The Value	The Percentage	The Value	The Percentage	The Value	The Percentage	The Value	The Percentage
Governmental and Semi-Governmental Entities	1,711.2	74.8%	2,609.4	79.1%	2,982.6	92.1%	980.4	65.5%
Private Sector	575.3	25.2%	690.9	20.9%	254.9	7.9%	515.5	34.5%
Total	2,286.5	100%	3,300.3	100%	3,273.5	100%	1,495.9	100%

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G and Management information.

The Company also possesses the expertise and resources necessary to carry out construction works related to infrastructure in the water, transportation and urban development sectors, as well as operation and maintenance works related to infrastructure projects in the water and transportation sectors with the same high efficiency. It has a close relationship with the entities responsible for such works. However, the Company's business or its clients may be concentrated in a given sector during a certain period of time, depending on the nature of the infrastructure projects proposed or assumed by the Company during such time period. For example, the Company's revenue from construction, operation, and maintenance works related to infrastructure were concentrated in the water sector for the years ended 31 December 2022G, 2023G and 2024G and for the six-month period ended 30 June 2025G, representing 92.9%, 92.2%, 84.2%, and 74.7% during those periods, respectively, of the Company's contracts revenue (for further details regarding the concentration of the Company's revenue in some of its business segments, please refer to Section 2.1.1 (*Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates*) of this Prospectus).

It is worth noting that several regulatory authorities regulate and oversee the water sector in the Kingdom, each within its respective jurisdiction. For example, the Ministry of Environment, Water, and Agriculture oversees the development of the water sector in general and the development of water sources in the Kingdom. The Saudi Water Authority is responsible for services related to seawater desalination and the delivery of produced desalinated water to various regions in the Kingdom. Water and sanitation services are also provided through the National Water Company, a state-owned entity. The Saudi Water Partnership Company is a company established and currently wholly owned by the Ministry of Finance. Under the Water Law, the Saudi Water Partnership Company is the principal buyer of water. It undertakes trading activities in desalinated, purified and treated water, wastewater and industrial water. It also launches projects for desalination, purification and treatment plants. Major projects in the Kingdom also play a role in managing the water sector, particularly within their respective geographical areas. This role may be regulatory in nature (by imposing area-specific regulatory requirements), or strategic (by launching infrastructure, development and other projects).

The Company's top clients include a number of the aforementioned entities and other related entities. Al Haer Environmental Services Company, Riyadh Municipality, the Ministry of Transport and Logistic Services, and Stream

Water Transmission Company are among the Company's largest clients as at 30 June 2025G. The Company's revenue from Al Haer Environmental Services Company represented 2.2% and 17.7% of the Company's contracts revenue for the financial year ended 31 December 2024G and the six-month period ended 30 June 2025G. It is worth noting that Al Haer Environmental Services Company is a relatively new client, and the Company did not receive any revenues from it for the financial years ended 31 December 2022G and 2023G. The Company's revenue from Riyadh Municipality represented 0.1%, 1.3%, 12.1%, and 15% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively. The Company's revenue from the Ministry of Transport and Logistic Services represented 5.0%, 6.5%, 11.2%, and 14.9% of the Company's contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G and for the six-month period ended 30 June 2025G, respectively. The Company's revenue from Stream Water Transmission Company represented 11.5% of the Company's contracts revenue for the six-month period ended 30 June 2025G. It is worth noting that Stream Water Transmission Company is a new client of the Company, and therefore no revenues were collected from it before 2025G.

The Company intends to increase the volume and market share of its construction works related to infrastructure in the transportation and urban development sectors and operation and maintenance works related to infrastructure projects in the transportation sector by increasing its participation in relevant tenders and concluding alliances with leading international companies in these sectors.

It is also worth noting that during the financial year ended 31 December 2022G, the Company's top clients in terms of revenue were the Saudi Water Authority, Client 3 (the main contractor for the company that owns the project to develop a desalination plant in the Western region, a privatization project, under a build-own-operate (BOO) contract concluded with a Government entity), the National Water Company, and the Ministry of Transport and Logistic Services. The Company's revenue from these clients constituted 54.3%, 19.1%, 13.4%, and 5.0% of the Company's contracts revenue, respectively. During the financial year ended 31 December 2023G, the Company's top clients in terms of revenue were the Saudi Water Authority, Client 1, Client 3 and the National Water Company. The Company's revenue from these clients constituted 31.4%, 25.8%, 12.1%, and 11.7% of the Company's contracts revenue, respectively. During the financial year ended 31 December 2024G, the Company's top clients in terms of revenue were Client 1, the Saudi Water Authority, Riyadh Municipality, and the Ministry of Transport and Logistic Services. The Company's revenue from these clients constituted 40.8%, 13.5%, 12.1%, and 11.2% of the Company's contracts revenue, respectively. During the six-month period ended 30 June 2025G, the Company's top clients in terms of revenue were Al Haer Environmental Services Company, Riyadh Municipality, the Ministry of Transport and Logistic Services, and Stream Water Transmission Company, representing 17.7%, 15%, 14.9%, and 11.5% of the Company's contracts revenue, respectively (for further details regarding the concentration of the Company's revenue on some of its clients, please refer to Section 2.1.1 (*Risks Related to the Concentration of the Company's Business, its Clients, the Sector and the Market in which it Operates*)). Since Vision 2030 initiatives include privatization and restructuring of certain government agencies and increased private sector participation, including the Saudi Water Authority and the Saudi Irrigation Organization, the Company expects that these initiatives will result in expansion of its client base.

In general, the Company's clients can be classified as follows:

- **Public Sector Clients:** This category comprises clients including ministries, Government agencies, public institutions, and municipalities, such as the Ministry of Transport and Logistic Services, the Saudi Water Authority, the Royal Commission for Riyadh City, and Riyadh Municipality, in addition to various other ministries and Government agencies;
- **Semi-Governmental Clients:** This category comprises corporate clients owned by the state or companies in which the state has ownership, such as the National Water Company and other semi-Governmental entities; and
- **Private Sector Clients:** This category comprises a group of companies that the Company contracts with as part of its projects in the private sector, such as Al Haer Environmental Services Company, as well as other private sector clients.

The following table sets out the Company's top clients in terms of revenue for the financial years ended 31 December 2022G, 2023G, and 2024G and the six-month periods ended 30 June 2024G and 2025G:

Table 4.18: The Company's Top Clients in Terms of Revenue for the Financial Years Ended 31 December 2022G, 2023G and 2024G and for the Six-Month Periods Ended 30 June 2024G and 2025G

Client	Type of Services Provided	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2024G		Six-Month Period Ended 30 June 2025G	
		Total Revenue (SAR)	Percentage of Total Revenue (%)	Total Revenue (SAR)	Percentage of Total Revenue (%)	Total Revenue (SAR)	Percentage of Total Revenue (%)	Total Revenue (SAR)	Percentage of Total Revenue (%)	Total Revenue (SAR)	Percentage of Total Revenue (%)
Saudi Water Authority	EPC	1,240,709,684	54.3%	1,036,300,729	31.4%	436,875,427	13.5%	249,873,852	16.1%	109,569,214	7.3%
National Water Company	EPC / Operation and maintenance	306,814,250	13.4%	387,307,553	11.7%	247,129,645	7.6%	64,673,667	4.2%	136,002,538	9.1%
Client 3	EPC	437,474,085	19.1%	399,660,231	12.1%	19,820,678	0.6%	19,483,585	1.3%	-	-
Ministry of Transport and Logistic Services	Operation and maintenance	113,703,271	5.0%	214,712,765	6.5%	362,066,262	11.2%	120,681,483	7.8%	222,264,413	14.9%
Client 1	EPC	-	-	852,782,747	25.8%	1,319,327,728	40.8%	848,573,510	54.7%	107,296,516	7.2%
Client 5	EPC	66,865,602	2.9%	132,970,427	4.0%	25,667,791	0.8%	9,122,823	0.6%	4,918,181	0.3%
Client 4	EPC	35,027,947	1.5%	79,618,717	2.4%	69,489,809	2.1%	19,340,781	1.2%	32,744,596	2.2%
Client 6	EPC	35,269,953	1.5%	56,978,873	1.7%	33,026,234	1.0%	16,183,555	1%	6,541,377	0.4%
Royal Commission for Riyadh City	EPC	-	-	54,172,332	1.6%	181,226,452	5.6%	51,446,724	3.3%	115,386,596	7.7%
Saudi Authority for Industrial Cities and Technology Zones	EPC	43,790,719	1.9%	16,790,486	0.5%	-	-	-	-	-	-
Riyadh Municipality	EPC / Operation and maintenance	1,242,319	0.1%	42,908,312	1.3%	392,228,002	12.1%	130,678,794	8.4%	223,890,524	15.0%
Al Haer Environmental Services Company	EPC	-	-	-	-	71,914,684	2.2%	-	-	265,273,267	17.7%
Client 2	EPC	-	-	-	-	43,788,649	1.4%	-	-	65,952,482	4.4%
Stream Water Transmission Company	EPC	-	-	-	-	-	-	-	-	172,020,294	11.5%
Other clients	EPC / Operation and maintenance	5,526,813	0.2%	26,116,071	0.8%	34,911,551	1.1%	22,553,118	1.5%	34,041,060	2.3%

Source: The Company.

4.8.2 Client Contract Awards

For the most part, the Company enters into contracts after submitting bids to available tenders (whether through public tenders or private invitations to tender). These tenders often have pre- or post-qualification requirements, including previous experience, the proficiency of the technical and administrative personnel, inventories of equipment owned by the contractor, its financial qualification, and the contractor's classification grade approved by the Ministry of Municipalities and Housing or other regulatory bodies. These conditions are considered basic requirements for participation in tenders.

The Company follows a structured, multi-stage internal methodology to decide whether to submit a bid for a new project, ensuring that the potential returns and risks of each opportunity are thoroughly evaluated. This methodology begins with an initial screening phase for prospective projects, taking into account multiple factors, including the project's engineering requirements, size, duration, location, and complexity; the nature of the client and its long-term significance to the Company; the extent to which the project strengthens the Company's relationship with the client; competitive advantages of the Company relative to competitors; the Company's prior experience in similar projects; project financing sources; the level of competition; construction and other project-related risks; opportunities to achieve adequate profit margins; contract incentives and penalties; contractual terms and obligations; and the alignment of the opportunity with the sectors in which the Company operates.

For construction works that primarily involve EPC Projects, the Company places special emphasis on its capacity to provide the necessary resources and adhere to the project schedule, including, when needed, subcontracting capabilities. Additionally, the Company considers its financial ability to meet project requirements and fund them appropriately. The project team collects all relevant data and prepares a recommendation regarding the suitability of submitting a bid, which is then reviewed by the executive management for discussion and decision-making. The Company has never withdrawn a submitted bid. This approach is reflected in the Company's bid success rate—i.e. the proportion of bids awarded to the Company relative to the total number of awarded bids overall. From the beginning of 2025G until the date of this Prospectus, the Company submitted bids for 40 tenders. Decisions have been made on 26 of these tenders to date, with the Company being awarded 5 tenders, representing 19% of the total tenders awarded. The combined value of these five awarded tenders amounted to approximately SAR 8,489 million, representing 30.5% of the total value of SAR 27,827 million for all tenders awarded.

The following table shows the Company's contractor rating by the Ministry of Municipalities and Housing, and the projects that the Company is able to apply for:

Table 4.19: The Company's Contractor Rating by the Ministry of Municipalities and Housing and the Projects the Company is Able to Apply for

Entity	Classification Field	Classification Activities	Rating Category	Purpose of Classification
Ministry of Municipalities and Housing	Construction and building	Water purification, general construction for government buildings, construction of roads, streets, sidewalks and roadway appurtenances, construction of bridges and tunnels, construction of railway lines, construction of airport runways, extending pipes of all kinds for electricity, communications, etc., and extending oil and gas pipelines.	First class	To enable the Company to engage in construction projects of all sizes (i.e., without an upper limit on the value of any single project), as per regulatory requirements.

Source: The Company

4.8.2.1 Tender and Contract Stages for the Company's Projects

The Company contracts with its clients in a number of ways, based on several factors such as the regulatory nature of the client (i.e., whether it is a Government entity or from the private sector) or the nature or size of the project, however, the Company obtains most of its projects by submitting technical and financial bids in public tenders or private invitations to tender. Tender and contracting procedures generally consist of several stages, summarized as follows (it should be noted that tender procedures vary based on several factors such as the regulatory nature of the client, the nature of the project, the contracting method, and the relevant regulatory framework):

Figure 4.3: Key Tender and Contract Stages for the Company's Projects



- Tender Issuance:** This stage involves clients preparing and publishing tender documents or uploading them on the relevant platform. These documents include a detailed explanation of the nature of the project, the project phases, quantities, expected timeline, pre-qualification criteria for applicants, key general terms and conditions for the client's projects, the required budget, and other terms and conditions applicable to the project in question. All tender applicants must meet the pre-qualification requirements to be able to submit proposals for consideration. Tender documents are published through various channels, based on the nature of the client or project or the regulatory framework relevant to the project. For example, public tender documents for projects organized under the Government Tenders and Procurement Law are published by for Government agencies on the Etimad platform, while private tender documents are sent by public and private sector clients to a group of companies inviting such companies to submit bids for a particular tender, provided that the pre-qualification requirements listed below are met.
- Pre-Qualification:** Clients may require applicants to meet pre-qualification conditions for certain tenders, such as previously completed projects, technical and administrative expertise, proficiency of technical and administrative personnel, inventories of equipment owned by the contractor, the financial adequacy of the contractor, and prior sectoral classification such as contractor ratings. As part of the pre-qualification process, the Company may enter into a non-disclosure agreement with the relevant client in some projects that may be of a confidential nature in order to review the project brochure and its attachments, and the Company may be required to provide disclosures proving that the Company meets the above qualifications. In addition, clients may also require the Company to make certain representations relating to compliance with the applicable client code of conduct, as well as safety, cybersecurity, anti-corruption and other requirements.
- Submission and Evaluation of Proposals:** Oftentimes, tender documents set out the submission method, deadlines, and the contents of the proposals. Tenders, particularly those offered by Governmental agencies, often require the submission of a financial proposal and an independent technical proposal. Certain clients may allow the Company to attend meetings with their project team to discuss technical requirements in order to obtain high-quality proposals specifically tailored to the project requirements. Certain tenders require the submission of bid bonds amounting to a certain percentage of the financial proposal submitted to the client. Once the proposals are submitted, clients evaluate them according to their internal procedures, in line with any applicable regulatory requirements. At this stage, the proposals are often evaluated by two different committees in order to examine the technical and financial aspects of the submitted proposals, confirm that the proposals meet all tender conditions, and verify the eligibility of applicants. Upon completing the independent evaluation of all submitted proposals, the companies applying for the tender are compared against each other based on various criteria, notably the quality of the technical proposal and the fee quotation. The project is typically awarded to the best proposal that aligns with the client's priorities, which may vary depending on the nature of the project. Certain clients may give priority to bidders with technical capabilities and experience, while other clients may give preference to the timeline or fee quotation.
- Award and Contracting:** Once the proposals are compared against one another, the project should be awarded to the best proposal, based on the client's internal criteria. The top bidder is typically informed of this decision through a formal document or a letter of award. This notification serves as a precursor to the final step of contract conclusion.

Upon award of the project, the Company is usually entitled to an advance payment from the client secured by a bank guarantee equal to the value of such payment. Depending on the nature of the project and the client, the Company may then prepare and provide the necessary human resources and equipment. It may also conclude the necessary subcontracts to perform and complete the required work, including, for example, contracts for construction labor, engineering services, the supply of materials or equipment to be used in the project, or the rental of construction equipment (for further details regarding subcontracting, please refer to Section 4.9.2.1 (*Contracted Works with Service Providers and Contractors*)).

4.8.2.2 Qualification

The Company has obtained qualification as an accredited contractor with many leading entities and companies in the Kingdom. The following table sets out the entities and companies that have granted the Company qualification as an approved contractor as at the date of this Prospectus:

Table 4.20: Entities and Companies that Have Granted the Company Qualification as an Approved Contractor as at the Date of this Prospectus

Entity	Date of Qualification Grant	Status
Ministry of Transport and Logistic Services	1991G	Valid
Ministry of Environment, Water and Agriculture	1993G	Valid
Ministry of Municipalities and Housing	1993G	Valid
National Water Company	2008G	Valid
Saudi Water Authority	2011G	Valid
Riyadh Municipality	2011G	Valid
Saudi Water Partnership Company	2015G	Valid
Royal Commission for Jubail and Yanbu	2017G	Valid
Saudi Authority for Industrial Cities and Technology Zones	2018G	Valid
Saudi Arabia Railways	2018G	Valid
Zakat, Tax and Customs Authority	2018G	Valid
Royal Commission for Riyadh City	2019G	Valid
Water Transmission Company	2019G	Valid
NEOM Company	2020G	Valid
Saudi Arabian Oil Company (Saudi Aramco)	2020G	Valid
Makkah Province Development Authority	2021G	Valid
Saudi Irrigation Organization	2021G	Valid
Red Sea Global	2022G	Valid
Amaala Company	2022G	Valid
Kidana Development Company	2022G	Valid
Rua Al Madinah Holding Company	2022G	Valid
Saudi Arabian Mining Company (Maaden)	2022G	Valid
Royal Commission for Al-Ula	2022G	Valid
Riyadh Airports Company	2022G	Valid
Saudi Power Procurement Company	2023G	Valid
Qiddiya Investment Company	2023G	Valid
Diriyah Gate Development Authority	2024G	Valid
New Murabba Development Company	2024G	Valid
Abu Dhabi Distribution Company (ADDC)	2024G	Valid
Central Agency for Public Tenders (Kuwait)	2024G	Valid

Source: The Company

4.8.3 Backlog

Backlog is not a term recognized under IFRS and may not be comparable to similarly titled measures of other companies. The Company's backlog consists of the total value of executed contracts (as amended) for which (i) the Company has commenced work or (ii) the Company has not commenced work but has received a notice to proceed, less revenue already recognized on those contracts. The backlog includes the total value of executed variation orders. Backlog is not binding or enforceable and is subject to unexpected adjustments or cancellations.

The Company's backlog increased from around SAR 1,330 million as at 31 December 2020G to around SAR 10,627 million as at 31 December 2025G, representing a compounded annual growth rate of approximately 52% over the period. Over the same period, the Company's backlog to revenue ratio (which is the total value of backlog at the end of the period divided by the Company's realized revenues during the last 12 months over the same period) averaged approximately 1.7 times.

As at 31 December 2020G, 31 December 2021G, 31 December 2022G, 31 December 2023G and 31 December 2024G, and as at 31 December 2025G, the Company's backlog amounted to approximately SAR 1.3 billion, SAR 2.9 billion, SAR 3.6 billion, SAR 4.4 billion, SAR 4.1 billion and SAR 10.6 billion, respectively.

As at 31 December 2020G, 31 December 2021G, 31 December 2022G, 31 December 2023G, 31 December 2024G, and 31 December 2025G, the Company's backlog to revenue ratios were 0.9 times, 2.4 times, 1.6 times, 1.3 times and 1.3 times, and 3.0 times.

The following table presents the Company's backlog as at 31 March 2026G:

Table 4.21: Value of Backlog as at 31 March 2026G

Client	Project	Value of Backlog as at 31 March 2026G (SAR Million)	Expected Date for Execution of Works
Stream Water Transmission Company	Water transmission pipeline project extending from the Eastern region to the Qassim region	4,919.2	June 2029G
Total		SAR 4,919.2 million	
Royal Commission for Riyadh City	EPC project for the treated water network for the Green Riyadh Program (Phase IV)	10.9	December 2025G ⁽¹⁾
	EPC project for the operational facilities of the treated water network for the Green Riyadh Program at Behait water treatment plant	299.2	May 2026G
	Project for the treated water network for the Green Riyadh Program (Group 16)	376.8	July 2026G
Total		SAR 686.9 million	
Al Haer Environmental Services Company	EPC project for the wastewater treatment plant in Riyadh with a capacity of 200,000 cubic meters per day, in addition to other facilities for wastewater disposal and treatment	191.5	December 2026G
Total		SAR 191.5 million	
Saudi Water Authority	Jubail Plant Technology and Assets Replacement Project	1,940.9	March 2027G
	Procurement and execution for a Water Transmission System -Ras Al-Khair-Riyadh (H&I) - Group (C2)	101.1	August 2027G
Total		SAR 2,042 million	
National water Company	Completion of a Water Pumping System for Centres and Towns in the Qassim Region	11.7	August 2027
	Reconstruction and Replacement Project for the Main Circular Drinking-Water Transmission Pipelines in Makkah	355.9	October 2029
	Construction of the Main Water Transmission Pipelines from the Strategic Tanks Site to the Prophet's Mosque	265.3	October 2028
	Construction of the Main sewer line (Mina-Al-Aziziya) from Mina area to the Arna wastewater treatment plant, serving Mina, Al-Aziziya, and Al-Awali aljadeeda area	606.7	January 2029
	Project to Complete the Development of the Water Network in the city of Hail.	78.4	October 2027
Total		SAR 1,318.0 million	

Client	Project	Value of Backlog as at 31 March 2026G (SAR Million)	Expected Date for Execution of Works
Riyadh Municipality	Project to complete the engineering, procurement and construction of rainwater and floodwater drainage channels and networks and to open and develop Wadi As-Sulai drainage basin (Phase III)	18.6	May 2026
	Maintenance and improvement of the quality of the road, safety and traffic network in the northern sector of Riyadh	489.7	June 2029
	Operation, maintenance, and cleaning of public transport corridors in Riyadh.	546	February 2030
Total		SAR 1,054.3 million	
Other clients		SAR 357.2 million	
Backlog Total		SAR 10,569.1 million	

⁽¹⁾ In the process of finalizing the variation order procedures for extending the completion date for the works.

Source: The Company.

The following table sets out the estimated terms for recognition of backlog revenue as at 31 March 2026G:

Table 4.22: Estimated Terms for Recognition of Backlog Revenue as at 31 March 2026G

Estimates of Backlog Recognition	Value as at 31 March 2026G (SAR Million)	Value of Water Projects	Value of Road Projects	Water Projects Percentages	Water Projects Percentages
Within 36 months	9,920.9	8,916.9	1,004	89.9%	10.1%
After 36 months	648.2	441.9	206.3	68.2%	31.8%
Total	10,569.1	9,358.8	1,210.3	NA	NA

Source: The Company.

As at 31 March 2026G, the Company's backlog amounted to approximately SAR 9,333.5 million, concentrated among four of the Company's clients, namely Stream Water Transmission Company at 46.5%, Saudi Water Authority at 19.3%, Riyadh Municipality at 10.0%, and the National Water Company at 12.5% of the total backlog.

In addition, as indicated in the definition of backlog set out above, amounts included in backlog do not include any projects awarded to the Company—or any contracts concluded with it—for which a notice to proceed has not yet been issued. The total value of these projects amounted to SAR 2.8 billion as at 31 March 2026G, and include an award from the General Authority for Irrigation worth SAR 956.5 million, and a contract with the National Water Company worth SAR 1.8 billion. However, these projects are fundamentally subject to the same risks and assumptions referred to in this section and in the section on risk factors related to backlog.

Although the majority of backlog amounts estimated historically may have been recognized as revenue as set out in the relevant contracts or even higher, nonetheless, Backlog estimates are based on a number of assumptions, including the scope of work, its duration and the plan for its implementation, and such estimates may not fully or partially reflect future revenue. The reliability of these estimates depends on the realization of all such assumptions and the non-occurrence of any unforeseen developments. Actual revenue may differ from Backlog due to various factors, including project acceleration, execution of new contracts, cancellation or variation of existing contracts, the Company's full or partial nonperformance of its contractual obligations, clients' inability to complete projects or their default on payments of amounts due, or broader economic conditions outside the Company's control (for further information, please refer to Section 2.1.11 (*Risks Related to Backlog*)).

4.9 Purchases and Procurement

The Cost of Purchases amounted to SAR 1,403,188,545, SAR 1,490,257,328, SAR 1,530,719,536, and SAR 826,539,217 for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, respectively, representing 61.4%, 45.2%, 47.3% and 55.3%, respectively, of its total annual revenues for the same periods. These expenditures relate primarily to purchases of consumables and building materials for projects, equipment supplies, supply and installation services, and contracted works with service providers and contractors (for further details, please refer to Section 2.1.13 (*Risks Related to Dependence on Suppliers, Subcontractors and Service Providers and Fluctuations in the Prices of Materials, Products and Services Provided by Them*)).

4.9.1 Suppliers

The Company's business requires the purchase of raw materials, consumables, equipment and machinery. This section includes a statement of the most important materials, equipment, and machinery used by the Company, showing the percentage they represent of the total cost of the Company's purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G, and sets out the Company's top suppliers.

4.9.1.1 Materials, Equipment and Supplies Procured

a. Consumables

Consumables include items that require regular replacement due to wear and tear or depletion, such as diesel, gasoline, oils and safety equipment. The following table sets out the consumables procured by the Company and their percentage of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.23: Consumables Procured by the Company and Their Percentage of Total Cost of Purchases for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G

Materials	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Comprehensive fuels (including diesel, gasoline and oils)	15,440,650	1.1%	19,764,195	1.3%	26,341,850	1.7%	18,771,061	2.3%
Safety equipment	7,009,795	0.5%	14,961,373	1.0%	4,484,188	0.3%	2,796,927	0.3%

Source: The Company.

b. Building Materials

Building materials are considered one of the key elements of projects, including iron, cement, asphalt, concrete and other building materials. The following table sets out the building materials procured by the Company and their percentage of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.24: Building Materials Procured by the Company and Their Percentage of Total Cost of Purchases for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G

Materials	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Iron/reinforced iron	450,807,493	32.1%	63,971,929	4.3%	127,293,366	8.3%	46,782,550	5.7%
Cement/concrete	18,750,016	1.3%	24,882,724	1.7%	25,549,505	1.7%	14,413,277	1.7%
Asphalt	5,244,765	0.4%	17,057,879	1.1%	17,910,773	1.2%	15,138,743	1.8%
Bitumen	4,291,171	0.3%	11,371,919	0.8%	11,940,515	0.8%	10,092,495	1.2%
Sand, gravel and wood	5,872,546	0.4%	13,688,102	0.9%	14,372,507	0.9%	8,073,996	1.0%

Source: The Company.

c. Equipment

The Company's operations require a diverse range of equipment, particularly electrical and mechanical construction equipment, which must be manufactured in accordance with international and local standards, incorporate the latest technologies, and maintain exceptional quality. The following table shows the equipment procured by the Company and its percentage of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.25: Equipment Procured by the Company and its Percentage of Total Cost of Purchases for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G

Equipment	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Electrical construction equipment (including transformers, signage, generators and circuit breakers)	34,737,473	2.5%	63,670,538	4.2%	66,854,064	4.3%	33,321,049	4.0%
Mechanical construction equipment (including carbon pipes, flexible, polyethylene, pumps, and valves)	292,538,941	20.8%	420,930,301	28.2%	331,938,055	21.7%	217,450,889	26.3%

Source: The Company.

d. Supplies

The Company's operations require the use of third parties for the supply and installation of certain specialized construction equipment, particularly tanks and pumps, which must be manufactured in accordance with international and local standards, incorporate the latest technologies, and maintain exceptional quality. The following table details the procurement and installation services used by the Company and their percentage of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.26: Procurement and Installation Services Used by the Company and Their Percentage of Total Cost of Purchases for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G

Services	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Procurement and installation of tanks and pumps	112,926,405	8.0%	90,922,694	6.1%	100,014,963	6.5%	38,737,963	4.7%

Source: The Company.

4.9.1.2 The Company's Top Suppliers

The Company relies on third-party suppliers to secure the materials necessary to execute its projects, including building materials such as steel, rebar, cement, asphalt, wood, gravel and soil, as well as consumable materials such as oil, gasoline, diesel and safety equipment. The following tables set out the Company's top suppliers during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.27: The Company's Top Suppliers During the Financial Year Ended 31 December 2022G

Supplier	Nature of Contractual Relationship with Supplier	Nature of Services and Products Provided by Supplier	Cost of Purchases During the Financial Period (SAR)	Purchases from the Supplier to Total Cost of Purchases for the Financial Period
Saudi Iron and Steel Company	Purchase orders	Supply of iron	431,453,277	30.7%
East Pipes Integrated Company for Industry		Supply of pipes	149,138,798	10.6%
Group Five Pipe Saudi Company		Supply of pipes	105,647,808	7.5%
Saudi Arabian Amiantit Company		Supply of pipes	24,506,310	1.7%

Source: The Company.

Table 4.28: The Company's Top Suppliers During the Financial Year Ended 31 December 2023G

Supplier	Nature of Contractual Relationship with Supplier	Nature of Services and Products Provided by Supplier	Cost of Purchases During the Financial Period (SAR)	Purchases from the Supplier to Total Cost of Purchases for the Financial Period
Group Five Pipe Saudi Company	Purchase orders	Supply of pipes	172,874,607	11.6%
Saudi Arabian Amiantit Company		Supply of pipes	77,383,981	5.2%
East Pipes Integrated Company for Industry		Supply of pipes	35,175,360	2.4%
Saudi Bena for Building Materials (Bena)		Supply of iron	23,262,198	1.6%

Source: The Company.

Table 4.29: The Company's Top Suppliers During the Financial Year Ended 31 December 2024G

Supplier	Nature of Contractual Relationship with Supplier	Nature of Services and Products Provided by Supplier	Cost of Purchases During the Financial Period (SAR)	Purchases from the Supplier to Total Cost of Purchases for the Financial Period
Saudi Iron and Steel Company	Purchase orders	Supply of iron	82,245,818	5.4%
Atlas Industrial Equipment Co.		Supply of air compressors and pipe accessories	32,041,406	2.1%
ABB Electrical Industries		Supply of medium voltage transformers	30,751,800	2.0%
Saudi Arabian Amiantit Company		Supply of pipes	30,113,742	2.0%

Source: The Company.

Table 4.30: The Company's Top Suppliers During the Six-Month Period Ended 30 June 2025G

Supplier	Nature of Contractual Relationship with Supplier	Nature of Services and Products Provided by Supplier	Cost of Purchases During the Financial Period (SAR)	Purchases from the Supplier to Total Cost of Purchases for the Financial Period
East Pipes Integrated Company for Industry	Purchase orders	Supply of pipes	57,373,197	6.9%
Saudi Iron and Steel Company		Supply of iron	24,456,068	3.0%
Torishima Pump MFG		Supply of pumps	9,378,750	1.1%
Cegelec Network and Security Systems		Supply of security systems	9,338,566	1.1%

Source: The Company.

4.9.2 Service Providers and Contractors

In order to execute its projects, the Company's operations require the engagement of external service providers and contractors to procure specific support and specialized services. This engagement follows a clear division and definition of responsibilities, including the scope of work and respective obligations. The Company often engages external service providers and contractors for the purpose of executing works such as excavation, pipe laying, backfilling, customs clearance services, concrete works and mechanical and electrical works, among other works. This section sets out the key materials, equipment and devices used by the Company, as well as the Company's top service providers and contractors.

4.9.2.1 Contracted Works with Service Providers and Contractors

The following table shows contracted works with service providers and contractors and their percentage of the Company's total Cost of Purchases for the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.31: Contracted Works with Service Providers and Contractors and Their Percentage of Total Cost of Purchases for the Financial Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G

Services	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Transportation and customs clearance services	43,414,413	3.1%	44,331,166	3.0%	62,161,617	4.1%	28,155,648	3.4%
Preparing engineering plans, soil testing and surveying work	46,835,165	3.3%	62,700,204	4.2%	65,835,214	4.3%	53,564,384	6.5%

Services	Financial Year Ended 31 December 2022G		Financial Year Ended 31 December 2023G		Financial Year Ended 31 December 2024G		Six-Month Period Ended 30 June 2025G	
	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases	Cost of Purchases	Percentage of the Company's Total Cost of Purchases
Excavation, pipe laying and backfilling works	142,248,713	10.1%	213,976,903	14.4%	211,212,050	13.8%	139,346,680	16.9%
Internal and external insulation works and internal and external painting	37,323,885	2.7%	69,659,328	4.7%	73,142,294	4.8%	22,788,893	2.8%
Horizontal directional drilling works	19,706,700	1.4%	22,214,048	1.5%	25,546,155	1.7%	2,037,181	0.2%
Concrete works	25,734,270	1.8%	55,629,773	3.7%	58,411,261	3.8%	37,060,227	4.5%
Milling and asphaltting works	19,814,842	1.4%	31,693,737	2.1%	31,080,737	2.0%	10,092,495	1.2%
Metalworks, carpentry and plumbing works	54,996,151	3.9%	138,751,023	9.3%	145,688,574	9.5%	37,377,181	4.5%
Electrical and mechanical works	40,610,261	2.9%	30,556,567	2.1%	43,513,132	2.8%	20,184,990	2.4%
Total	430,684,400	30.6%	669,512,749	45.0%	716,591,034	46.8%	350,607,679	42.4%

Source: The Company.

4.9.2.2 Top Service Providers and Contractors

The Company deals with other external parties for the provision of certain services, such as engineering services. The following tables show the Company's top technical service providers during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.32: The Company's Top Technical Service Providers During the Financial Year Ended 31 December 2022G

Service Provider	Nature of Contractual Relationship with Service Provider	Nature of Services and Products Provided by Service Provider	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
ILF Consulting Engineers	Agreement	Engineering design services	21,018,058	1.5%
Soil and Foundation Co. Ltd.		Soil and foundation analysis and consulting	663,608	0.05%

Source: The Company.

Table 4.33: The Company's Top Technical Service Providers During the Financial Year Ended 31 December 2023G

Service Provider	Nature of Contractual Relationship with Service Provider	Nature of Services and Products Provided by Service Provider	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
ILF Consulting Engineers	Agreement	Engineering design services	47,104,085	3.2%
Soil and Foundation Co. Ltd.		Soil and foundation analysis and consulting	782,804	0.1%

Source: The Company.

Table 4.34: The Company's Top Technical Service Providers During the Financial Year Ended 31 December 2024G

Service Provider	Nature of Contractual Relationship with Service Provider	Nature of Services and Products Provided by Service Provider	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
ILF Consulting Engineers	Agreement	Engineering design services	17,552,190	1.1%
Applus Arabia for Testing and Physical Analysis		Soil and foundation analysis and consulting	2,053,973	0.1%
SLL Design Engineering Consultancy		Engineering design services	1,142,201	0.1%

Source: The Company.

Table 4.35: The Company's Top Technical Service Providers During the Six-Month Period Ended 30 June 2025G

Service Provider	Nature of Contractual Relationship with Service Provider	Nature of Services and Products Provided by Service Provider	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
ILF Consulting Engineers	Agreement	Engineering design services	9,203,537	1.1%
SLL Design Engineering Consultancy		Engineering design services	3,224,650	0.4%
Applus Arabia for Testing and Physical Analysis		Soil and foundation analysis and consulting	736,219	0.1%

Source: The Company.

The Company also relies on subcontractors for the supply and installation of certain equipment such as pipelines, electrical construction devices, mechanical construction devices, tanks and pumps, as well the execution of a range of construction services, such as welding, earthworks, dredging, excavation, milling, ground leveling, asphaltting, mining, and pipe laying works. The following tables set out the Company's top subcontractors during the financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 4.36: The Company's Top Subcontractors During the Financial Year Ended 31 December 2022G

Subcontractor	Nature of Contractual Relationship with Subcontractor	Nature of Services and Products Provided by Subcontractor	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
Subcontractor A	Agreement	Execution of steel tanks	64,887,735	4.6%
Subcontractor B		Execution of earthworks and pipe laying works	43,979,208	3.1%
Subcontractor C		Execution of steel tanks	41,198,999	2.9%
Subcontractor D		Execution of earthworks and pipe laying works	21,505,486	1.5%

Source: The Company.

Table 4.37: The Company's Top Subcontractors During the Financial Year Ended 31 December 2023G

Subcontractor	Nature of Contractual Relationship with Subcontractor	Nature of Services and Products Provided by Subcontractor	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
Subcontractor D	Agreement	Execution of earthworks and pipe laying works	54,113,365	3.6%
Subcontractor B		Execution of earthworks and pipe laying works	53,747,610	3.6%
Subcontractor A		Execution of steel tanks	50,670,669	3.4%
Subcontractor E		Execution of earthworks and pipe laying works	39,457,232	2.6%

Source: The Company.

Table 4.38: The Company's Top Subcontractors During the Financial Year Ended 31 December 2024G

Subcontractor	Nature of Contractual Relationship with Subcontractor	Nature of Services and Products Provided by Subcontractor	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
Subcontractor A	Agreement	Execution of steel tanks	81,665,238	5.3%
Subcontractor E		Execution of earthworks and pipe laying works	58,642,481	3.8%
Transmission Lines Trading and Contracting Company ⁽¹⁾		Execution of earthworks and pipe laying works	51,557,455	3.4%
Al-Ghowairi National Company ⁽²⁾		Road works	46,000,462	3.0%

Source: The Company.

⁽¹⁾ Transmission Lines Trading and Contracting Company is a related party, as it's controlled by the sons of Director Mutlaq Damouk Mutlaq Alghowairi Alotaibi, namely Badr Mutlaq Damouk Alotaibi and Mohammed Mutlaq Damouk Alotaibi, and Director Mutlaq Damouk Mutlaq Alghowairi Alotaibi has an indirect interest in the transaction given his sons' ownership

⁽²⁾ Al-Ghowairi National Company is a related party, as it is controlled by Director Terad Damouk Mutlaq Al-Ghowairi and is chairman of its board of managers, and he also has indirect interest in the transaction given his ownership and position in Al-Ghowairi National Company.

Table 4.39: The Company's Top Subcontractors During the Six-Month Period Ended 30 June 2025G

Subcontractor	Nature of Contractual Relationship with Subcontractor	Nature of Services and Products Provided by Subcontractor	Cost of Purchases During the Financial Period (SAR)	Percentage of the Company's Total Cost of Purchases
Transmission Lines Trading and Contracting Company ⁽¹⁾	Agreement	Construction road works and pipe laying works	96,135,877	11.6%
Subcontractor F		Road works	48,704,169	5.9%
Al-Ghowairi National Company ⁽²⁾		Road works	29,980,692	3.6%
Subcontractor G		Road works	21,885,631	2.6%

Source: The Company.

⁽¹⁾ Transmission Lines Trading and Contracting Company is a related party, as it's controlled by the sons of Director Mutlaq Damouk Mutlaq Alghowairi Alotaibi, namely Badr Mutlaq Damouk Alotaibi and Mohammed Mutlaq Damouk Alotaibi, and Director Mutlaq Damouk Mutlaq Alghowairi Alotaibi has an indirect interest in the transaction given his sons' ownership.

⁽²⁾ Al-Ghowairi National Company is a related party, as it is controlled by Director Terad Damouk Mutlaq Al-Ghowairi and is chairman of its board of managers, and he also has indirect interest in the transaction given his ownership and position in Al-Ghowairi National Company.

4.10 Insurance and Risk Management

The Company's works involve conditions that may pose risks, and the Company's business segments generally involve a high degree of operational and safety risks, including electric shocks, fires, mechanical failures, weather-related accidents, transportation accidents and equipment damage (for further details, please refer to Section 2.1.33 (*Risks Related to Failure to Secure Adequate Insurance Coverage*)).

The Company maintains insurance policies that provide coverage typical for companies of its type and size in the Kingdom, in accordance with its overall risk management and mitigation strategy and due to the fact certain contracts impose specific insurance requirements on the Company. The insurance policies maintained by the Company include general liability, third party liability, all business risks, equipment and motor insurance (for further details regarding insurance policies, please refer to Section 11.9 (*Insurance Policies*)).

To further minimize risks, the Company has a dedicated safety and environmental protection department that develops emergency procedures and conducts and follows up on testing thereof. In addition, it ensures the availability and safety of emergency equipment and tools such as fire extinguishers and first aid kits. The Company also ensures that project personnel are trained to perform their work safely and periodically inspects project worksites and reports any identified risks to the project manager. The Company is committed to instilling safe work practices in its employees, communicating its safety guidelines and ensuring consistent implementation of such guidelines. Employee safety remains the top priority in the entire organization.

4.11 Certificates and Accreditations

The Company has obtained many certificates and accreditations from various reputable entities. The table below sets out the most notable certificates and accreditations that the Company has achieved:

Table 4.40: Certificates and Accreditations

Certificate	Certificate Number	Entity	Details	Issuance Date	Expiration Date
Classification of cities service providers certificate	2023009582	Ministry of Municipalities and Housing	To enable the Company to engage in construction projects of all sizes (i.e., without an upper limit on the value of any single project), as per regulatory requirements.	28/03/1446H (corresponding to 01/10/2024G)	20/04/1448H (corresponding to 01/10/2026G)
Contractor Membership Certificate	10001406	Saudi Contractors Authority	Contractor membership registration certificate with the Saudi Contractors Authority.	04/08/1446H (corresponding to 03/02/2025G)	15/08/1447H (corresponding to 03/02/2026G)
Environmental Management System Certification (ISO Certificate)	24EQNP70	International Organization for Standardization	Certificate confirming the Company's commitment to the requirements for establishing water and wastewater projects (implementation of the Quality Management System)	18/02/1446H (corresponding to 22/08/2024G)	19/03/1449H (corresponding to 21/08/2027G)
Environmental Management System Certification (ISO Certificate)	24EENI62	International Organization for Standardization	Certificate confirming the Company's commitment to the requirements for establishing water and wastewater projects (implementation of the Quality Management System)	17/02/1446H (corresponding to 21/08/2024G)	18/03/1449H (corresponding to 20/08/2027G)
Environmental Management System Certification (ISO Certificate)	24EONL65	International Organization for Standardization	Certificate confirming the Company's commitment to the requirements for establishing water and wastewater projects (implementation of the Quality Management System)	16/02/1446H (corresponding to 20/08/2024G)	17/03/1449H (corresponding to 19/08/2027G)

Source: The Company.

4.12 Awards and Achievements

The Company has received numerous awards and has attained significant operational achievements, reflecting client satisfaction and the Company's efficiency in carrying out its operational activities. The following table highlights the most prominent awards received by the Company and the key achievements it has accomplished:

Table 4.41: Operational Awards and Achievements:

Awarding Entity	Award Description	Year Received
Client (1)	Innovation Award	2024
Client (1)	Social Responsibility	2025
Client (1)	Safety and Environment	2025
Client (1)	Safety	2025
Roads General Authority	Quality in Roads Award	2025
Roads General Authority	One of the Best Contractors in Completing Work Orders	2025
Roads General Authority	Best Contractor in Occupational Health and Safety	2025
Client (2)	Project Execution According to the Highest Quality Standards and Commitment	2024

Source: The Company.

4.13 Overview of the Infrastructure Programs and Projects Emanating from Vision 2030 and Their Impact on the Company's Business

The Company's business is in line with the pillars of Vision 2030 (a vibrant society, a thriving economy and an ambitious nation). The Vision 2030 document includes many targets related to the Company's business. These targets include developing cities, housing and infrastructure such as water, electricity, roads and public transportation, and investing in Government-owned real estate assets. Such targets also include allocating sites for establishments and projects in various sectors, establishing dedicated zones for various promising sectors, and the establishment of cross-border infrastructure projects. Further targets are the achievement of environmental sustainability through several factors including the rationalization of water consumption, the use of treated and renewable water, the development of promising sectors such as manufacturing, energy and gas, the development of tourism and entertainment sites and complementary sectors, as well as encouraging investment in health, municipal services, housing and other sectors.

Vision 2030 established several programs, initiatives, projects and targets for various sectors with the aim of achieving numerous strategic goals that include diversifying the cornerstones of the economy in the Kingdom, improving the quality of life of the population, and supporting local content. The initiatives and projects emanating from Vision 2030 include several infrastructure development projects such as the Qiddiya, Al-Soudah, Al-Ula, Red Sea, NEOM, ROSHN, Diriyah, Sports Boulevard, King Salman Park, Saudi Downtown, New Murabba, Rua Almadinah, AMAALA, Green Riyadh, Jeddah Central, Special Economic Zones, Area Development Authorities and Royal Reserves projects, as well as projects to enhance water supply, water transmission and increase strategic storage capacity, among others. It is expected that infrastructure development will continue to be a focus of the Vision 2030 strategy. The Company believes that its strategy and future business plan align with the goals, programs, initiatives and projects of Vision 2030, particularly with regard to the growth and development of the Kingdom's infrastructure. It is worth noting that many of the projects the Company has executed or is currently executing are related to Vision 2030 projects and programs. These include its water transmission projects, as well as the Green Riyadh and Waad Al-Shamal City projects. The Company also has close relationships with the entities in charge of such projects.

In addition to the above, the Company's works are consistent with a number of national sectoral strategies and the programs and initiatives emanating therefrom, including the following:

- **National Environment Strategy:** The Kingdom's environmental vision for 2030G, which stems from the National Environment Strategy, includes reference to the role of the private sector in the importance of achieving national environmental goals and initiatives, including, for example, matters related to the quality of surface water and groundwater, water quality standards, raising the environmental performance of the desalination sector, and others. The National Transformation Program of the Ministry of Environment, Water and Agriculture also includes reference to many initiatives related to the water sector such as ensuring the sustainability of supply to keep pace with growing demand, increasing service coverage, developing the water sector institutionally and privatization thereof, as well as improving its financial and operational efficiency. The Company plans to participate in projects resulting from the National Environment Strategy as the aforementioned relates either directly or indirectly to the Company's work in the water sector. The Company has previously executed and is currently executing several projects with the Royal Commission for Riyadh City including projects tendered by the Green Riyadh program, which awarded the Company the Execution of the Treated Water Network for the Green Riyadh Program - Phase Four project to the Company, to benefit from the outputs of sewage plants and reuse them for irrigation purposes;
- **National Water Strategy:** The National Water Strategy includes reference to ten strategic programs for the water sector. These include managing water resources, supply chain efficiency, service quality, private sector involvement in production and wastewater treatment. Each program has many initiatives. These include the rehabilitation and development of sewage treatment plants, increased use of treated water, the development of sustainable desalination capabilities, the expansion and rehabilitation of the water distribution and sewage networks, remediation of irregular supply, automation of distribution, private sector participation in production and wastewater treatment, the offering of management and concession contracts for the distribution restructuring program, and involvement of the private sector. The Company looks forward to playing a role and participating in the projects resulting from the National Water Strategy as the aforementioned relates either directly or indirectly to the Company's work. The Company has previously executed and is currently executing several projects with the Saudi Water Authority and the National Water Company, including the Khobar–Al-Hofuf water transmission system project (Phase II), with a total value of SAR 747.0 million, which was amended by change orders to become approximately SAR 782.2 million, in addition to a project to supply and install a pipeline to transmit water to North Jeddah water tower, with a total value of SAR 283.0 million, which was amended by change orders to become approximately SAR 310.7 million (for further details regarding the Company's ongoing projects, please refer to Section 4.7.1.2

(Ongoing Construction Works Projects) and Section 4.7.2.2 (Ongoing Operation and Maintenance Works Projects));

- **The Saudi Water Partnership Company's Seven-Year Plan (2022G-2028G):** The seven-year plan provides an outlook for the projects of the Saudi Water Partnership Company in the areas of water desalination, wastewater treatment plants, strategic tanks, water pipelines and dam projects. The Saudi Water Partnership Company has set plans to add 3.5 million cubic meters per day of water desalination capacity from 2022G to 2028G in several regions within the Kingdom, including Jubail, Ras Al-Khair, Al-Rais, Tabuk, Rabigh, Al-Shuqaiq and Jazan. The Company has previously executed and is currently executing several projects in partnership with the private sector. These include an EPC project for a water plant in the Western region, an EPC project for an independent wastewater treatment plant in the Qassim region, and an EPC project for an independent wastewater treatment plant in the Western region (for further details regarding the Company's ongoing projects, please refer to Section 4.7.1.2 (Ongoing Construction Works Projects) and Section 4.7.2.2 (Ongoing Operation and Maintenance Works Projects));
- **Initiatives to reuse treated wastewater:** The National Water Company and the Saudi Irrigation Organization have effectively contributed to developing the wastewater recycling infrastructure in the Kingdom in a bid to increase the use of treated effluent for industrial and irrigation uses. Through the National Transformation Program, the National Water Company has also set a target to increase reuse of treated wastewater to 70% by 2030G;
- **National Strategy for Transport and Logistics:** The National Strategy for Transport and Logistics includes many programs and initiatives related to the Company's business, such as the transport infrastructure development program, which aims to increase private sector participation, provide competition in establishing transportation infrastructure facilities, improve the efficiency of current facilities, launch numerous projects related to the program and its objectives including road projects, multimodal stations, logistics centers and other components of land, sea and air transport and logistics services, in addition to the construction and expansion of airports and railways, etc. The Ministry of Transport and Logistic Services also launched the Future of Transportation initiative, which included the presentation of brochures for high-priority Future of Transportation projects. The Company has previously executed and is currently executing a project with the Ministry of Transport and Logistic Services and Riyadh Municipality. These include a project to maintain and raise the quality of the road network, safety and traffic in the northern sector of Riyadh, with a total value of approximately SAR 938.0 million (for further details regarding the Company's ongoing projects, please refer to Section 4.7.1.2 (Ongoing Construction Works Projects) and Section 4.7.2.2 (Ongoing Operation and Maintenance Works Projects));
- **Road Sector Strategy:** The Road Sector Strategy was approved by the Council of Ministers in 2023G, and will be executed by the Roads General Authority. This strategy focuses on traffic safety, quality and density and is centered on the following objectives:
 - raising the road quality index to achieve a top-six ranking and reducing road fatalities to less than five cases per 100,000 people;
 - applying traffic safety factors according to the classification of the International Road Assessment Program (IRAP);
 - increasing private sector participation in operational activities by up to 20%; and
 - establishment of the General Roads Authority in August 2022G as part of the National Strategy for Transport and Logistics to implement the Road Sector Strategy. The aforementioned Authority will be the main regulatory entity responsible for supervising the construction, operation and maintenance of roads in the Kingdom; and
- **Tourism Investment Enablers Program:** The Ministry of Tourism launched the Tourism Investment Enablers Program (TIEP) to facilitate investment opportunities in the tourism sector for local and international companies. The main objective of the Program is to expand and diversify tourism products and offerings. The Tourism Investment Enablers Program will also allow for investment in the hospitality sector, as it is expected that approximately 42,000 new hotel rooms will be constructed in the Kingdom by 2030G. This will create opportunities in the construction works market within the urban development sector.

4.14 Future Plans and Initiatives

The Company carefully monitors the variables of supply and demand within its business. It possesses a remarkable ability to adapt to those variables and keep pace with market developments and clients needs. This adaptability stems from several factors, namely the Company's financial capacity, technical competence and distinguished reputation through which it has gained strong relationships with major clients. Accordingly, the concentration of a majority of the Company's business in the construction works sector for water facilities and the operation and maintenance works sector for water facilities is due to the high demand for the Company's business in the aforementioned sectors. However, this in no way limits the Company's ability to provide services to or carry out works for clients from other business sectors with high levels of quality and efficiency. The Company has diverse previous experience and the necessary resources in all its business segments and is thus able to keep pace with market developments and supply and demand variables.

The following are the key initiatives currently being implemented within the Company or planned to be launched over the coming 12 months:

- **Expansion in the Water Desalination Sector:** The Company is actively pursuing expansion in this vital and promising sector, given the continuous growth it is witnessing as a result of population increases and climate fluctuations. The business model in this sector typically involves entering into long-term agreements with government entities that encompass the entire project lifecycle, starting from construction works—including design, procurement, and construction—through to operations and maintenance, thereby contributing to the sustainability and predictability of the Company's cash flows. This was recently exemplified by the award of a project for the design and procurement of works related to the replacement of technologies and end-of-life assets of the Jubail station, with a total value of approximately SAR 2 billion; and
- **Entry into the Renewable Energy Sector:** Based on the Company's strategy to diversify its activities and expand its client base, and in alignment with the renewable energy initiative under the umbrella of Vision 2030, as well as to capitalize on business opportunities in executing renewable energy projects, the Company began searching for cooperation and collaboration opportunities with specialized companies in the field of solar energy possessing the necessary technology and expertise for this type of project. The Company is also working on researching and expanding ways to cooperate and collaborate with other specialized partners around the world in executing renewable energy projects, whether solar or other types of renewable energy.

4.15 Health, Safety, and Environment

The Company strives to adopt the highest standards of health, safety, and environment measures, periodically monitors the extent to which the Company's employees, suppliers, contractors, and related parties apply those standards, and applies any corrective measures if any of them are found to be non-compliant, particularly in light of the risks inherent in the company's operations, including construction activities.

Employee and community safety is a fundamental pillar of the Company's corporate culture and operation execution strategy, and the Company strive to prevent the occurrence of any operational incidents during the project lifecycle. The Company adopts a systematic methodology to measure these risks and provides mandatory orientation and training courses in health, safety, and environment (HSE) for its staff. The Company also promotes a culture of reporting violations and incidents and enforces periodic reviews and inspections at its sites. The company monitors its performance in implementing HSE standards through various indicators. The following table shows a number of these indicators for the two years ended on 31 December 2023G and 31 December 2024G, as well as for the period from 1 January 2025G to 31 October 2025G:

Indicator	2023G	2024G	From 1 January 2025G to 31 October 2025G
Total Man-Hours Worked	8,943,198	13,792,845	11,973,121
Training Hours	623	967	972
Percentage of Operational HSE Team Members Qualified by the National Examination Board in Occupational Safety and Health	42%	57%	65%
Lost Time Injury Frequency Rate (LTIFR)	0.224	0	0.167
Total Recordable Incident Rate (TRIR)	0.040	0	0.180
Fatalities	0	0	0

Indicator	2023G	2024G	From 1 January 2025G to 31 October 2025G
Major Incidents ⁽¹⁾	2	0	2
Minor Environmental Incidents	36	35	17
Major Environmental Incidents	0	1	0
Near-Miss Reports	1,501	2,572	2,507
Internal HSE Audits	12	20	18

Source: The Company.

⁽¹⁾ Major Incidents: Refers to incidents that resulted in serious injuries, significant material damage, or prolonged operational downtime, as per the Company's internal standards.

The Company holds several certificates in quality management systems, occupational health and safety management systems, and environmental management systems, such as ISO 14001:2015 for its environmental management system, to ensure that all operations are carried out in an efficient and environmentally safe manner.

Sustainability is embodied in all of the Company's business operations, as the Company supports the Kingdom's infrastructure needs, particularly in the water sector, by constructing, operating and maintaining projects that protect the Kingdom's water resources, secure water supplies for the population and provide wastewater treatment solutions, thereby reducing the consumption of natural water resources and preserving them for future generations. The Company also implements flood mitigation projects that lessen the impact of natural disasters arising from climate change. In the transport sector, the Company's projects contribute to facilitating the movement of goods and reducing emissions. Moreover, the Company incorporates environmentally friendly materials, green building technologies and renewable energy solutions in the projects it executes.

4.16 Research and Development

As at the date of this Prospectus, the Company does not have a research and development policy.

4.17 Social Responsibility

The Company prioritizes social responsibility across its operations and applies best operational practices in all projects. Safety is a core priority for the Company to ensure a secure environment for employees and the community, minimize workplace injuries and safeguard public property and the environment.

The Company seeks to have a positive and sustainable impact on society by supporting many local and international exhibitions and conferences, as well as non-profit organizations in the field of research and development of water desalination, roads and infrastructure, such as the Desalination Research Center, the International Roads Federation (IRF), and the International Tunnels and Infrastructure Association (ITA). This aims to encourage development in these areas, provide solutions to the challenges of water scarcity, and enhance energy efficiency and safety.

The Company has adopted a clear approach to supporting SMEs by giving them opportunities to work as subcontractors, reflecting the Company's commitment to strengthening their role as key contributors within its operational value chains.

4.17.1 The Company's Social Responsibility Towards its Stakeholders

- Providing clear, accurate and reliable information to all stakeholders in a timely manner, taking into account the rules of regulatory authorities;
- implementing all governance practices with full commitment, transparency and integrity, and documenting such practices in the relevant reports;
- engaging all stakeholders and beneficiaries in relevant decisions, programs, and studies;
- clarifying the oversight systems and procedures governing relationships with stakeholders and ensuring their consistent application; and
- operating with transparency and adhering to established principles for stakeholder engagement, as well as ensuring compliance with such procedures and systems.

4.17.2 The Company's Social Responsibility Towards Employees

- a. Securing and providing a safe and stimulating work environment for employees to perform tasks and work;
- b. encouraging the expression of ideas and opinions in line with recognized ethical rules, and giving due regard to all such ideas and opinions with respect and appreciation;
- c. encouraging all employees of the Company to obtain training and participate in development programs and courses in order to improve their technical and personal skills and abilities;
- d. cultivating a culture of shared responsibility, cooperation and collective success among all employees;
- e. ensuring fairness between all employees and that they are not discriminated against in any respect; and
- f. adhering to and complying with all laws and regulations in force in the Kingdom.

4.17.3 The Company's Social Responsibility Towards Society

- a. Actively providing support and assistance to accredited civil society organizations and institutions in the Kingdom so as to serve those in need and improve their standard of living by supporting and sponsoring the projects and programs provided by these organizations;
- b. contributing to supporting and creating job opportunities for community members; and
- c. investing in development projects and initiatives with long-term benefits for society.

4.17.4 The Company's Social Responsibility Towards the Environment

Recognizing that some of its activities have an impact on the environment, the Company is committed to the following:

- a. Identifying the direct and indirect positive and negative impacts on the local environment arising from its business, with the aim of reducing negative impacts and enhancing positive impacts;
- b. working to make resources utilized in its business and activities sustainable and recyclable wherever possible, and that they are used efficiently with minimal waste;
- c. achieving future goals and positive outcomes in line with international standards for environmental conservation, as well as periodically documenting the same in the Company's annual report issued by its Board of Directors; and
- d. contributing to supporting efforts aimed at developing environmentally friendly practices and programs.

4.17.5 The Company's Social Responsibility Towards Suppliers

- a. Prioritizing working with local suppliers in order to contribute to building a strong and sustainable national economy;
- b. continuously communicating with the Company's suppliers in order to enhance service levels;
- c. honoring all contractual obligations and settling all of the Company's dues in a timely manner; and
- d. upholding principles of fair and equitable competition.

4.18 Overview of the Company's Departments

The Company has a number of departments that support its various business activities. The following is a brief description of the activities of the Company's departments as at the date of this Prospectus:

4.18.1 Internal Audit Department

The Internal Audit Department is responsible for conducting comprehensive evaluations of the internal control systems and assessing them to ensure they are effective and adequate. Its functions also include ensuring the reliability and integrity of information, protecting assets, and evaluating the efficiency of resource use. In addition, the Internal Audit Department coordinates with external auditors, provides advisory services, and prepares periodic reports on its activities. The Internal Audit Department also reports any significant exposure to risks, and control issues including fraud risks and other relevant matters as required by the Audit Committee or the Company's Senior Management.

4.18.2 Legal Affairs, Governance and Risk Department

The primary responsibilities of the Legal Affairs, Governance, and Risk Department include reviewing the Company's legal documents, incorporation documents, and contractual matters, in addition to providing legal advice to the Company's Board of Directors and Senior Management regarding any legal matters referred to it. The Legal Affairs, Governance, and Risk Department also prepares contracts and agreements, represents the Company before judicial bodies, and files and follows up on lawsuits against other parties, if necessary. In addition, the Department provides legal advice to all administrative departments of the Company, reviews publications and directives related to the Company's business, supervises the holding of General Assembly meetings, and coordinates with the relevant Government agencies. The Department's responsibilities also include reviewing regulations, rules, policies, and procedures and monitoring compliance with them, supervising corporate governance, developing risk management frameworks, and updating the Company's main risk register.

4.18.3 Safety and Environmental Protection Department

The Safety and Environmental Protection Department performs many tasks related to project works and it enjoys clear administrative autonomy to ensure its effectiveness. Among its tasks is conducting an evaluation of all project works in terms of occupational health and safety, in addition to developing emergency procedures, executing and following up on tests thereon, and ensuring the availability and safety of emergency equipment and supplies such as fire extinguishers and first aid kits. The Safety and Environmental Protection Department also ensures that project personnel are trained to perform their work safely and that workplaces, devices and equipment are safe. This is in addition to the core function of the Department, which is to investigate all accidents and develop procedures to prevent similar incidents from recurring in the future, and to keep a record of all accidents and their statistics and report them to the official authorities in accordance with the applicable laws and regulations.

4.18.4 Accounting Department

The Accounting Department ensures the integrity of procedures and records, manages monthly and annual account settlement processes, and ensures the preservation of all documentation and paperwork in accordance with approved accounting standards. The Accounting Department also undertakes daily accounting tasks and ensures that financial reports are issued accurately and in due course on a regular basis and in accordance with relevant policies, procedures and regulations.

4.18.5 Treasury Department

The Treasury Department is responsible for controlling cash flows and incoming and outgoing funds. It helps to identify financing needs and plan revenues and expenses, thus contributing to the achievement of financial stability and the mitigation of financial risks. In addition, the Treasury Department helps to identify financial surplus and invest it in ways that benefit the Company, as well as building relationships with financial institutions and banks.

4.18.6 Financial Reporting and Control Department

The Financial Reporting and Control Department is responsible for monitoring and auditing the Company's financial operations and spending measures, ensuring that financial documents adhere to accounting and financial systems and standards and authorizing them for disbursement, and preparing the financial reports required by the independent auditor and the Executive Management, in addition to handling matters related to Shareholder relations.

4.18.7 Planning Department

The Company's Planning Department is responsible for preparing timelines for projects during the bid submission process as well as during project execution, and developing plans for project execution by scheduling, allocating resources and capabilities, and preparing the required budget and cash flows. In addition, the Planning Department oversees the monitoring of material supplies, from purchase to manufacturing and supply. It also assesses the risks associated with projects executed by the Company, ensuring that estimated costs are not exceeded, coordinating with the relevant clients, suppliers, and subcontractors and providing them with the relevant reports.

4.18.8 Technical Affairs Department

The Technical Affairs Department is responsible for supervising and reviewing all documents, drawings, and bills of quantities, whether received from external consulting offices or prepared by the technical staff in the Technical Affairs Department, and approving and preparing them for inclusion in the technical submission documents for bids. The Director of Technical Affairs ensures that all of the Company's construction works conform to the standard specifications, prepares financial change order forms and requirements when needed, approves and reviews plans and bills of quantities, monitors the execution of construction works to ensure compliance with the approved technical specifications, and participates in initial project handover and start of operation, in addition to assisting the Projects Department in solving any technical problems that occur during execution.

4.18.9 Electromechanical Works Department

The Electromechanical Works Department provides technical and executive support for the electrical and mechanical works of projects, including supervising power systems, electrical extensions, air conditioning and ventilation systems, and firefighting systems. The Department also works to ensure that the executed works comply with approved engineering standards.

4.18.10 Supply Chain Department

The Supply Chain Department controls various steps to provide the Company with the necessary products accurately and on time. This includes effective supply planning by identifying the items needed for project execution and running the Company's business, as well as identifying appropriate companies and service providers. In addition, the Supply Chain Department manages purchasing processes, determines necessary commercial terms and logistics costs, and tracks shipments, which involves coordinating with external shipping companies to obtain the necessary products on time. This is followed by storage operations, where the Department performs inventory/warehouse management tasks to ensure actual knowledge of inventory, which contributes significantly to effective inventory management.

4.18.11 Human Resources and Support Services Department

The Human Resources and Support Services Department is responsible for providing all administrative and technical services to departments and sections and assisting them in achieving their objectives. This department supervises employee services, which include salaries, providing the necessary training programs to improve the quality of employees' work, coordinating with relevant departments regarding administrative procedures related to employees (such as vacations, promotions, transfers, overtime, etc.), and recruiting the necessary personnel. This department also provides comprehensive support to other departments regarding coordination with external parties.

4.18.12 Information Technology Department

The Information Technology Department is responsible for providing an integrated technical infrastructure that includes servers, networks, and cloud computing, while ensuring the efficiency and continuity of business systems, chief among them the enterprise resource planning (ERP) system and Microsoft Dynamics 365 systems. The department also maintains and manages the technical infrastructure and information security, provides technical support and training to employees, and analyzes data to support decision-making and improve performance.

4.18.13 Tenders Department

The Tenders' Department is tasked with researching and identifying relevant tender opportunities that match the scope of the Company's business and align with the criteria previously determined by the Company's strategic plan, in addition to drafting non-disclosure agreements and memorandums of understanding with third parties and strategic partners, and following up on signed contracts to ensure compliance with applicable rules and regulations. This is in addition to the core function of the Tenders Department, which is to develop a comprehensive proposal that showcases the Company's capabilities, expertise and value proposition so that the bid document is well-organized, persuasive, addresses all specified requirements in the tender, and ensures the bid is submitted by the specified deadline and in the required format.

4.18.14 Business Development Department

The Business Development Department establishes and develops business relationships, building a diverse network of partnerships that qualify the Company to acquire new clients and drive the growth of its business, by developing innovative services that align with client needs and achieve the goals of Vision 2030. The Business Development Department also provides necessary services to clients by offering professional advice to decision-makers based on the Company's figures, information, and accumulated technical expertise, in addition to staying abreast of market developments and working to prepare the necessary human and technical personnel within the Company to address them.

4.18.15 Project Portfolio Managers Department

The Project Portfolio Managers Department is responsible for supervising the Company's project portfolio by monitoring the implementation of plans according to the agreed-upon schedules, disbursing budgets efficiently, and ensuring the quality of outputs, in addition to monitoring the overall performance of projects and submitting periodic reports to the Company's senior management. The department's tasks also include coordinating between project managers and all other departments and sections of the Company to ensure needs are met as required, and contributing to addressing operational challenges in an effort to achieve strategic objectives efficiently.

4.18.16 Commercial Affairs Department

The Commercial Affairs Department is responsible for coordinating with clients at all stages of contracting and project execution, including negotiating and preparing contracts and monitoring their implementation according to regulations, policies, and contractual terms. The department also directly manages procedures related to change orders and work orders and manages contractual claims such as financial or time claims resulting from any change or breach of the Company's existing contracts. The department's tasks also include preparing supporting documents and following up on related procedures, to ensure the Company's financial and commercial rights are preserved.

4.19 Business Continuity

There has been no suspension or interruption in the Company's business that could affect, or has significantly affected, the Company's financial position during the 12-month period preceding the date of this Prospectus. Furthermore, there is no intention of making any material change in the nature of its business.





05

The Company's Organizational Structure and Governance

5. The Company's Organizational Structure and Governance

5.1 Ownership Structure of the Company

As at the date of this Prospectus, the Company's share capital is SAR 800,000,000, divided into 800,000,000 ordinary Shares with a fully paid nominal value of one Saudi Arabian Riyal per Share. The following table shows the ownership structure of the Company pre- and post-Offering:

Table 5.1: Ownership Structure of the Company's Shares Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi ⁽²⁾	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi ⁽²⁾	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Mutlaq Mohamed Damouk Al-Ghowairi ⁽²⁾	33,888,000	4.236%	33,888,000	28,000,000	3.500%	28,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdullah Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Nayef Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	18,888,000	16,000,000	2.000%	16,000,000
Moudi Ajmi Sanhat Al-Otaibi	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Nada Mohamed Damouk Al-Ghowairi	9,448,000	1.181%	9,448,000	9,448,000	1.181%	9,448,000
Nouf Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Wafaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	9,448,000	8,000,000	1.000%	8,000,000
Asmaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Reem Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Shatha Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Noura Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Hind Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	9,440,000	8,000,000	1.000%	8,000,000
Public ⁽³⁾	-	-	-	240,000,000	30.000%	240,000,000
Total	800,000,000	100%	800,000,000	800,000,000	100%	800,000,000

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ Selling Shareholder.

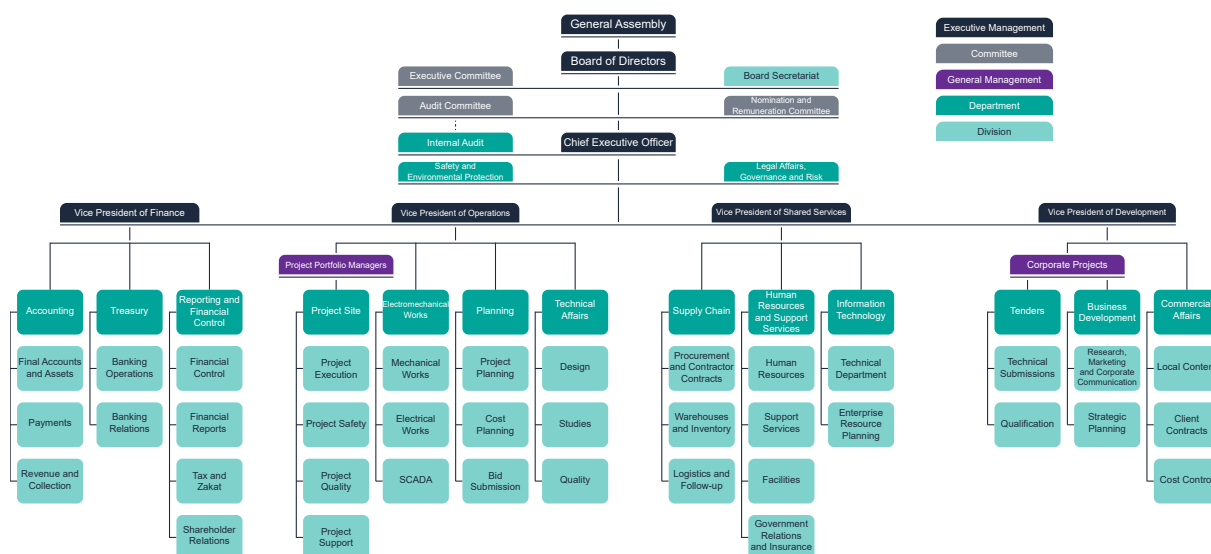
⁽³⁾ The "Public" row represents the number and percentage of Shares being offered to the Public under the Offering, amounting to 240,000,000 Shares, equivalent to 30.00% of the Company's share capital. This does not include the shares that will be owned after the Offering by certain Current Shareholders who meet the definition of "public" under the CMA regulations, namely Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, Hind Mohamed Damouk Al-Ghowairi, and Nada Mohamed Damouk Al-Ghowairi. Thus, the total number of Shares owned by the Public after the Offering will be 337,448,000 Shares, representing 42.181% of the Company's share capital.

5.2 Organizational Structure

The Company's organizational structure consists of the General Assembly, the Board of Directors and its Committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee. These Committees assume the powers delegated thereto by the Board of Directors in accordance with the governance manual and other internal regulations approved by the Company, while the Board of Directors assumes ultimate responsibility for the guidance, general supervision and overall control of the Company and the Executive Management team.

The following chart shows the Company's organizational structure as at the date of this Prospectus:

Figure 5.1: Organizational Structure of the Company as at the Date of this Prospectus



Source: The Company.

5.3 Board of Directors

In accordance with the Company's Bylaws, the Board of Directors consists of seven Directors appointed by the Ordinary General Assembly of Shareholders for a maximum period of four years. The Companies Law, the Corporate Governance Regulations, the Bylaws and the internal Corporate Governance Manual define the duties and responsibilities of the Board of Directors. The Company's General Assembly appointed the current Board of Directors for a four-year term commencing on 22/09/1445H (corresponding to 01/04/2024G) and ending on 05/11/1449H (corresponding to 31/03/2028G). The following table sets out the details of the Directors as at the date of this Prospectus:

Table 5.2: The Company's Board of Directors

#	Name	Position	Nationality	Status ⁽¹⁾	Direct Share Ownership ⁽²⁾		Indirect Share Ownership ⁽²⁾		Date of Appointment ⁽³⁾
					Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Chairman	Saudi	Non-Executive	52.500%	32.000%	-	-	14/09/1445H (corresponding to 24/03/2024G)
2	Terad Damouk Mutlaq Al-Ghowairi	Vice Chairman	Saudi	Non-Executive	22.500%	15.720%	-	-	14/09/1445H (corresponding to 24/03/2024G)

#	Name	Position	Nationality	Status ⁽¹⁾	Direct Share Ownership ⁽²⁾		Indirect Share Ownership ⁽²⁾		Date of Appointment ⁽³⁾
					Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
3	Mutlaq Mohamed Damouk Al-Ghowairi	Director	Saudi	Non-Executive	4.236%	3.500%	-	-	14/09/1445H (corresponding to 24/03/2024G)
4	Ibrahim Ali Ibrahim Al-Mohsen	Director	Saudi	Independent	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
5	Emad Obaid Thawab Al-Otaibi	Director	Saudi	Independent	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
6	Omar Bijad Hudhali Al-Dalbahi	Director	Saudi	Executive	-	-	-	-	14/09/1445H (corresponding to 24/03/2024G)
7	Sulaiman Abdulaziz Abdulrahman Al-Zaben	Director	Saudi	Independent	-	-	-	-	07/03/1446H (corresponding to 10/09/2024G) ⁽⁴⁾

Source: The Company.

⁽¹⁾ An independent Director is a non-executive Director who has complete independence in their position and decisions, and none of the independence issues stipulated in the Corporate Governance Regulations apply to them, as follows: (a) owning 5% or more of the shares of the Company or any other company within its group or being a relative of someone who owns such percentage; (b) being a relative of any Director of the Company or any other company within its group; (c) being a relative of any Senior Executive of the Company or of any other company within its group; (d) being a director of another company within the group of the Company for which they are nominated to be a director; (e) being or having been an employee, during the past two years, of the Company or another company within its group or if they held a controlling interest in the Company or any party dealing with the Company or another company within its group, such as auditors or key suppliers, during the previous two years; (f) having a direct or indirect interest in the business and contracts concluded for the Company's benefit; (g) receiving financial consideration from the Company in addition to the remuneration for membership on the Board or any of its Committees exceeding SAR 200,000 or 50% of the remuneration received in the previous year for membership on the Board or any of its Committees, whichever is less; (h) engaging in business that competes with the Company or conducting business in one of the Company's branches of activity; or (i) having served for more than nine years, consecutive or nonconsecutive, as a Director of the Company.

⁽²⁾ The ownership percentages are rounded.

⁽³⁾ Dates listed in this table are the dates of appointment of the Directors for the current Board term. The respective biographies of the Directors describe the dates of their appointment to the Board or to any other position (for further details, please refer to Section 5.3.2 (Biographies of the Directors and the Secretary) of this Prospectus).

⁽⁴⁾ Sulaiman Abdulaziz Abdulrahman Al-Zaben was appointed Director on this date, after the number of Directors was increased from six to seven in accordance with the Bylaws issued on 07/03/1446H (corresponding to 10/09/2024G).

The Secretary of the Board of Directors is Mr. Majed Mohamed Saad Al-Shalwan, who was appointed by the Board of Directors to this position for the first time pursuant to the Board of Directors' resolution dated 28/05/1441H (corresponding to 23/01/2020G). He was reappointed for the current Board term pursuant to the Board of Directors' resolution dated 22/09/1445H (corresponding to 01/04/2024G). The Board Secretary does not own any Shares in the Company (for further details regarding the Board Secretary, refer to Section 5.3.2 (Biographies of the Directors and the Secretary)).

5.3.1 Responsibilities of the Board of Directors

The responsibilities of the Board of Directors, the Chairman and the Secretary include the following:

5.3.1.1 Board of Directors

Without prejudice to the powers of the General Assembly defined in the Companies Law, its Implementing Regulations and the Company's Bylaws, the Board of Directors shall have the broadest powers in managing and guiding the Company to achieve its purpose. The powers and functions of the Board of Directors include the following:

- developing and regularly reviewing the Company's key plans, policies, strategies and objectives, and ensuring the availability of the necessary human and financial resources to achieve them, including:
 - developing, reviewing and directing the Company's comprehensive strategy, key business plans, and risk management policies and procedures;
 - reviewing the governance framework and making effective governance arrangements to facilitate decision-making in Company matters;
 - determining the Company's optimal capital structure, strategies and financial objectives, and approving all types of budget estimates;
 - overseeing the Company's major capital expenditures, and asset ownership and disposal;
 - setting performance goals, monitoring implementation and overseeing the overall performance of the Company;
 - periodically reviewing and approving the Company's organizational and functional structures; and
 - verifying the availability of the necessary human and financial resources to achieve the Company's goals and key plans;
- establishing internal control systems and controls, including:
 - formulating a written policy to address actual and potential conflicts of interest involving Directors, members of the Executive Management and Shareholders, including misuse of the Company's assets and facilities and misconduct resulting from Related Party transactions;
 - ensuring the integrity of financial and accounting systems, including financial reporting systems;
 - confirming the implementation of control systems suitable for risk assessment and management by preparing and presenting to the Company's stakeholders and Related Parties a general forecast of potential risks the Company may face; and
 - conducting an annual audit of the Company's internal control procedures;
- devising clear and well-defined policies, criteria and procedures for membership on the Board of Directors, and implementing them once approved by the General Assembly, without prejudice to Corporate Governance Regulations;
- developing a written policy regulating the relationship with stakeholders in accordance with the Corporate Governance Regulations;
- establishing policies and procedures that ensure the Company's compliance with laws and regulations, the Company's commitment to the disclosure of material information to Shareholders and stakeholders and the compliance of Executive Management therewith;
- forming specialized committees under Board resolutions setting out their terms, powers, responsibilities and description of Board oversight thereof, as well as the members' names, tasks, rights and duties, and evaluating the performance of the committees and their members;
- submitting recommendations to the Extraordinary General Assembly regarding the following:
 - increasing or decreasing the Company's share capital; and
 - deciding to dissolve the Company before the expiry of the term set out in the Company's Bylaws or to continue its operation;
- submitting recommendations to the Ordinary General Assembly regarding the following:
 - utilizing the Company's reserves if not allocated for a specific purpose in the Company's Bylaws;
 - creating additional financial reserves or allocations for the Company; and
 - outlining the method of distributing the Company's net profits;

- preparing and approving the Board of Directors' report prior to circulation thereof;
- ensuring the accuracy and integrity of data and information to be disclosed under the applicable disclosure and transparency policies and laws;
- notifying the Ordinary General Assembly, when it convenes, of the business and contracts in which a Director has a direct or indirect interest, detailing in such notification the information provided by the Directors and attaching a report from the Company's external Auditor; and
- establishing workplace values and norms at the Company.

5.3.1.2 Chairman

Without prejudice to the powers of the Board of Directors, the Chairman shall be responsible for leading the Board, overseeing its activities and assessing its performance. In particular, the powers and functions of the Chairman include the following:

- ensuring that Directors have access to complete, clear, correct and non-misleading information in due course;
- ensuring that the Board of Directors effectively discusses all key issues in due course;
- representing the Company before third parties in accordance with the Companies Law, its Implementing Regulations, and the Company's Bylaws;
- encouraging Directors to effectively carry out their duties, acting in the best interests of the Company;
- ensuring the existence of effective communication channels with Shareholders and communicating their views to the Board of Directors;
- promoting constructive relationships and effective collaboration between the Board of Directors and Executive Management, and between executive, non-executive and independent Directors, as well as creating a culture of constructive feedback;
- preparing the agenda for Board meetings, taking into account any issue raised by a Director or the Auditor, as well as consulting with Directors and the Chief Executive Officer when preparing the Board agenda; and
- holding regular meetings with non-executive Directors without the presence of any of the Company's executives.

5.3.1.3 Board Secretary

The powers of the Board Secretary include the following:

- documenting Board meetings and writing up minutes, which should include discussions and deliberations carried out during such meetings as well as their venue, date and start and end times; recording Board resolutions and voting results and maintaining them in a special and organized register; recording the names of the Directors present and the reservations expressed thereby, if any, and getting the chairman of the meeting, all attending Directors and the Secretary to sign such minutes;
- maintaining the reports submitted to the Board of Directors and the reports prepared by the Board;
- providing the Directors with the Board agenda, work papers and related documents and information, as well as any additional documents or information requested by any Director related to the topics included in the meeting agenda;
- ensuring that Directors follow the Board-approved procedures;
- informing Directors of the dates of Board meetings sufficiently in advance thereof;
- presenting draft minutes to the Directors to provide feedback before signing;
- ensuring that the Directors obtain a copy of the minutes of Board meetings and information and documents related to the Company in full and in a timely manner;
- coordinating between Directors;
- maintaining a register for the disclosures of Directors and Executive Management in accordance with Article 89 of the Corporate Governance Regulations; and
- providing assistance and advice to the Directors.

5.3.2 Biographies of the Directors and the Secretary

Below is a summary of the biographies of the Directors and the Secretary:

5.3.2.1 Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Chairman

Age	68 years.
Nationality	Saudi.
Current Positions in the Company	- Chairman of the Board of Directors, since 2008G. - Chairman of the Executive Committee, since 2023G.
Status	Non-Executive.
Independence	Non-Independent.
Academic and Professional Qualifications	High School Diploma, Abu Tammam High School, Riyadh, Kingdom of Saudi Arabia, 1977G.
Other Current Positions and Memberships	- Chairman of the Board of Directors, Rawafed Alola for Mining Company, a limited liability company engaged in mining and quarry operations, since 2024G. - Chairman of the Board of Directors, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2022G. - Director, Edarah Al Asel Limited, a limited liability company operating in the field of real estate, financial and insurance activities, since 2021G. - Founder and Member of the Board of Trustees, Sekaya Foundation, a private organization licensed by the Ministry of Human Resources and Social Development operating in the provision of water access, since 2021G. - Member of the Supervisory Board, First Dates Endowment, a charitable endowment affiliated with the General Authority of Awqaf operating in the field of charity, since 2021G. - General Manager, Emaar Al Sahara Real Estate Company, a one-person limited liability company operating in the field of real estate activities, since 2020G. - Chairman of the Board of Trustees, Al-Ghowairi Charitable Foundation, a charitable organization operating in the field of providing financial and in-kind support to those in need, since 2020G.
Previous Work Experience	- Director, Transmission Lines for Contracting and Trading Company, a limited liability company operating in the field of construction, transportation and storage, from 2011G to September 2024G. - Director, Mutlaq Al-Ghowairi Contracting Co., a sole proprietorship operating in the field of general contracting for buildings, construction road works, maintenance, and water and sanitation works, from 1977G to 2007G.

5.3.2.2 Terad Damouk Mutlaq Al-Ghowairi, Vice Chairman

Age	60 years.
Nationality	Saudi.
Current Positions in the Company	Vice Chairman of the Board of Directors, since 2022G.
Status	Non-Executive.
Independence	Non-Independent.
Academic and Professional Qualifications	Bachelor's degree in Military Science, King Khalid Military College, Kingdom of Saudi Arabia, 1988G.
Other Current Positions and Memberships	- Director, Rawafed Alola for Mining Company, a limited liability company engaged in mining and quarry operations, since 2024G. - Vice Chairman of the Board of Directors, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2022G. - Director, Edarah Al Asel Limited, a limited liability company operating in the field of real estate, financial and insurance activities, since 2021G. - Member of the Supervisory Board, First Dates Endowment, a charitable endowment affiliated with the General Authority of Awqaf operating in the field of charity, since 2021G. - Vice Chairman of the Board of Trustees, Al-Ghowairi Charitable Foundation, a charitable organization operating in the field of providing financial and in-kind support to those in need, since 2020G. - Director, Afaq Alfikr AlAhlyyah Company, a private non-profit one-person limited liability company operating in the field of education, since 2015G. - Director, Al-Ghowairi National Co., a limited liability company operating in the field of construction, since 2013G. - Senior Director, Haraskom for Security Guards Company, a limited liability company operating in the field of security personnel, since 2009G.
Previous Work Experience	- Chairman of the Audit Committee, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2023G to 2024G. - Retired Officer, National Guard, a Government entity operating in the field of military, from 1988G to 2006G.

5.3.2.3 Mutlaq Mohamed Damouk Al-Ghowairi, Director

Age	36 years.
Nationality	Saudi.
Current Positions in the Company	– Director, since 2019G. – Member of the Nomination and Remuneration Committee, since 2023G.
Status	Non-Executive.
Independence	Non-Independent.
Academic and Professional Qualifications	Bachelor's degree in Architecture, King Saud University, Kingdom of Saudi Arabia, 2013G.
Other Current Positions and Memberships	– Director, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2023G. – Member of the Board of Trustees, Al-Ghowairi Charitable Foundation, a charitable organization operating in the field of providing financial and in-kind support to those in need, since 2020G. – Member of the Supervisory Board, First Dates Endowment, a charitable endowment affiliated with the General Authority of Awqaf operating in the field of charity, since 2019G. – Member of the Supervisory Board, Mohamed Damouk Al-Ghowairi Endowment, a charitable endowment affiliated with the General Authority of Awqaf operating in the field of charity, since 2019G.
Previous Work Experience	Civil Engineer, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2014G to March 2024G.

5.3.2.4 Ibrahim Ali Ibrahim Al-Mohsen, Director

Age	46 years.
Nationality	Saudi.
Current Positions in the Company	– Director, since 2022G. – Chairman of the Nomination and Remuneration Committee, since 2023G.
Status	Non-Executive.
Independence	Independent.
Academic and Professional Qualifications	– PhD in Financial Grants, Imam Mohammad Ibn Saud Islamic University, Kingdom of Saudi Arabia, 2021G. – Master's degree in Islamic Culture, Imam Mohammad Ibn Saud Islamic University, Kingdom of Saudi Arabia, 2014G. – Master's degree in Business Administration, International Arab Academy for Training and Development (IAATD), 2011G. – Bachelor's degree in Jurisprudence, Imam Mohammad Ibn Saud Islamic University, Kingdom of Saudi Arabia, 2001G.
Other Current Positions and Memberships	– Director, Almuneef Co. for Trade, Industry, Agriculture and Contracting, a listed joint stock company operating in the field of agriculture, since 2024G. – Director, Applied College at Prince Sattam bin Abdulaziz University, a Government entity operating in the field of education, since 2022G. – Chairman of the Board of Directors, Diversified Properties Company, a limited liability company operating in the field of property management, since 2022G. – Chairman of the Board of Directors, Neft Alsharq Co. for Chemical Industries, a listed joint stock company operating in the field of manufacturing oils, since 2021G. – Chairman of the Board of Directors, Sabeel Modern Technology Ltd., a limited liability company operating in the field of information technology, since 2018G. – Chief Executive Officer, Sulaiman Bin Abdul Aziz Al Rajhi Charitable Foundation, a private organization licensed by the Ministry of Human Resources and Social Development operating in the field of asset management and endowment agreements, since 2014G. – Chairman of the Board of Directors, Sabeel AlRiadh Co. Ltd., a limited liability company operating in the field of professional, administrative and strategic consultancy, since 2010G.
Previous Work Experience	– Educational Supervisor, Ministry of Education, a Government entity operating in the field of regulating the educational sector within the Kingdom, from 2011G to 2014G. – Educational Supervisor, Ministry of Defense, a Government entity operating in the field of military, from 2006G to 2011G.

5.3.2.5 Emad Obaid Thawab Al-Otaibi, Director

Age	46 years.
Nationality	Saudi.
Current Positions in the Company	- Director, since 2022G. - Chairman of the Audit Committee, since 2024G.
Status	Non-Executive.
Independence	Independent.
Academic and Professional Qualifications	- Master's degree in Finance and Accounting, University of Wolverhampton, United Kingdom, 2014G. - Diploma in Management and Leadership, Markfield College, United Kingdom, 2014G. - Diploma in Strategic Planning and Risk Management, Markfield College, United Kingdom, 2013G. - Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 2002G.
Other Current Positions and Memberships	- Member of the Audit Committee, Associations Support Fund, a Government entity operating in the field of supporting associations and developing the non-profit sector within the Kingdom, since 2023G. - Director, Al Tawala Holding Co., a closed joint stock company operating in the field of real estate, since 2022G. - Executive Vice President of Support Services, National Center for Non-Profit Sector, a Government entity operating in the field of regulating and supervising the non-profit sector within the Kingdom, since 2022G.
Previous Work Experience	- Member of the Audit Committee, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2023G to 2024G. - Assistant Undersecretary for Finance and Public Services, Ministry of Health, a Government entity operating in the field of regulating the health sector within the Kingdom, from 2018G to 2022G. - Financial Advisor, Ministry of Health, a Government entity operating in the field of regulating the health sector within the Kingdom, from 2016G to 2018G. - Director of the Economic Resources Department, Ministry of Finance, a Government entity operating in the field of regulating the financial sector within the Kingdom, from 2009G to 2015G. - Financial Controller, Saudi Wildlife Authority, a Government entity operating in the field of supervising and managing protected areas within the Kingdom, from 2006G to 2009G. - Auditor, Dr. Mohamed Al-Amri & Co. (Public Accountants), a closed professional joint stock company operating in the field of providing accounting services, from 2003G to 2006G. - Auditor, Talal Abu-Ghazaleh & Co. (Public Accountants), a professional limited liability company operating in the field of providing accounting services, from 2002G to 2003G.

5.3.2.6 Omar Bijad Hudhali Al-Dalbahi, Director

Age	59 years.
Nationality	Saudi.
Current Positions in the Company	- Director, since 2019G. - Chief Executive Officer, since 2012G. - Member of the Executive Committee, since 2023G.
Status	Executive.
Independence	Non-Independent.
Academic and Professional Qualifications	- Master's degree in Civil Engineering, King Saud University, Kingdom of Saudi Arabia, 1997G. - Bachelor's degree in Civil Engineering, King Saud University, Kingdom of Saudi Arabia, 1990G.
Other Current Positions and Memberships	- Vice Chairman, International Road Federation, a non-Governmental, non-profit organization in Washington, USA, operating in the development and management of road networks worldwide, since 2025G. - Director, International Road Federation, a non-Governmental, non-profit organization in Washington, USA, operating in the development and management of road networks worldwide, since 2023G. - Director, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2022G. - Member of the Supreme Executive Committee, International Road Federation, a non-Governmental, non-profit organization in Washington, USA, operating in the development and management of road networks worldwide, since 2019G.
Previous Work Experience	- Executive Director, Arab Contracting Company (ARTEC), a limited liability company operating in the field of infrastructure, from 1996G to 2006G. - Supervisory Engineer, Riyadh Municipality, a Government entity operating in the field of developing the Riyadh region, from 1990G to 1996G.

5.3.2.7 Sulaiman Abdulaziz Abdulrahman Al-Zaben, Director

Age	50 years.
Nationality	Saudi.
Current Positions in the Company	Director, since 2024G.
Status	Non-Executive.
Independence	Independent.
Academic and Professional Qualifications	- Master's degree in Risk Management, University of Southampton, United Kingdom, 2004G. - Bachelor's degree in Management – Accounting, King Saud University, Kingdom of Saudi Arabia, 1995G.
Other Current Positions and Memberships	- Chairman, King Abdulaziz & His Companions Foundation for Giftedness and Creativity (Mawhiba), a non-profit foundation operating in the scientific field, since 2024G. - Chief Executive Officer, King Abdullah Humanitarian Foundation (KAHF), a non-profit foundation operating in the field of humanitarian activities, since 2024G. - Chairman of the Investment Committee, King Abdulaziz & His Companions Foundation for Giftedness and Creativity (Mawhiba), a non-profit foundation operating in the scientific field, since 2024G. - Director, King Abdullah Charitable Foundation, a charitable organization engaged in humanitarian activities, since 2020G. - Member of the Audit Committee, LEMAL Holding, a closed joint stock company operating in the industrial sector, since 2020G. - Chairman of the Audit Committee, Al Jouf Cement Company, a public joint stock company operating in the industrial sector, since 2020G. - Director, Capital Creativity Agency, a limited liability company operating in the field of administrative services, since 2020G. - Chairman, Namal Impact Investment Co., a limited liability company operating in the field of innovating, developing and investing in social enterprise solutions, since 2020G. - Chairman of the Board of Directors, FAO Real Estate Company, a limited liability company operating in the real estate development sector, since 2020G. - Chairman of the Investment Committee, Beit Al Khair Society, a charity organization operating in the field of charitable and humanitarian works, since 2020G. - Member of the Board of Directors, AlKhizanah Capital, a closed joint stock company operating in the field of asset management, since 2024G. - Director and Member of the Executive Committee, Maharah Human Resources, a public joint stock company operating in the field of human resources, from 2024G to date.
Previous Work Experience	- Deputy Minister for Social Development, the Ministry of Human Resources and Social Development, a Government entity operating in the field of organizing the labor sector and social responsibility, from 2018G to 2020G. - Chief Executive Officer, Deutsche Gulf Finance, a closed joint stock company operating in the field of real estate finance, from 2016G to 2018G. - Advisor, the Ministry of Human Resources and Social Development (then known as the Ministry of Labor), a Government entity operating in the field of organizing the labor sector and social responsibility, from 2015G to 2016G. - Executive Director, Al Rajhi Banking & Investment Corporation, a listed joint stock company operating in the banking sector, from 2012G to 2015G. - General Manager of International Banking and Deputy Chief Executive Officer, Al Rajhi Banking & Investment Corporation (Jordan Branch), a limited liability company operating in the field of Islamic banking and investment, from 2010G to 2012G. - Head of the Non-Borrowing Clients Department, Al Rajhi Banking & Investment Corporation, a limited liability company operating in the field of Islamic banking and investment, from 2009G to 2010G. - Head of Corporate Risk Management, Al Rajhi Banking & Investment Corporation, a listed joint stock company operating in the banking sector, from 2007G to 2009G. - Project Manager for Corporate Risk and Business Continuity Management, Saudi Basic Industries Corporation (SABIC), a listed joint stock company operating in the petrochemicals field, from 2004G to 2007G.

5.3.2.8 Majed Mohamed Saad Al-Shalwan, Board Secretary

Age	35 years.
Nationality	Saudi.
Current Positions in the Company	- Secretary of the Board of Directors, since 2020G. - Secretary of the Nomination and Remuneration Committee, since 2023G. - Director of the Chairman's Office, since 2021G.
Academic and Professional Qualifications	- Intermediate University Certificate and Diploma, College of Technology, Kingdom of Saudi Arabia, 2011G. - Management Experts Course, Management Experts Academy, Kingdom of Saudi Arabia, 2013G.
Other Current Positions and Memberships	- Secretary of the Board of Directors, Rawafed Alola for Mining Company, a limited liability company engaged in mining and quarry operations, since 2024G. - Secretary of the Board of Directors, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2023G. - Executive Director, Al-Ghowairi Charitable Foundation, a charitable organization operating in the field of providing financial and in-kind support to those in need, since 2021G.
Previous Work Experience	- Secretary of the Executive Committee, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2023G to 2024G. - Secretary to the Chairman, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2014G to 2020G. - Administrative Officer, Mutlaq Al-Ghowairi Contracting Co., a limited liability company operating in the field of construction works and operation and maintenance works, from 2013G to 2014G.

5.4 Board Committees

The following Committees were formed to further support the management of the Company's activities: (1) the Executive Committee; (2) the Nomination and Remuneration Committee; and (3) the Audit Committee. The Board of Directors formed these Committees to optimize the Company's management and to meet the relevant regulatory requirements. Each Committee is required to have clear rules defining its role, powers and responsibilities. For each Committee meeting, minutes must be prepared (and submitted to the Board of Directors for review and approval). The charters for the Audit Committee and the Nomination and Remuneration Committee were approved at the Extraordinary General Assembly meeting held on 02/05/1445H (corresponding to 16/11/2023G), while the Executive Committee charter was approved by the Board of Directors on 23/04/1445H (corresponding to 07/11/2023G). The following is a description of the Company's Committees:

5.4.1 Executive Committee

An Executive Committee shall be formed by a resolution of the Company's Board of Directors consisting of at least three members and a maximum of five members from among the Directors or others.

5.4.1.1 Responsibilities of the Executive Committee

The Executive Committee shall exercise all the powers entrusted thereto, submit its reports to the Board of Directors, and maintain direct channels of communication therewith. The powers of the Executive Committee are as follows:

- supervising the implementation of plans, policies and strategies approved by the Board of Directors;
- overseeing and following up on the internal control systems and controls established by the Board of Directors;
- guiding the Company's financial management, cash flows and financial and credit relationships with third parties;
- supervising the preparation of the Company's condensed interim financial information and annual financial statements and approving them prior to their publication;
- establishing effective communication channels that allow Shareholders to periodically review various aspects of the Company's activities and any material developments on an ongoing basis;
- determining the types of bonuses to be granted to the Company's employees, other than the Executive Management, including fixed remunerations, performance-related bonuses and bonus shares, without prejudice to the Implementing Regulations of the Companies Law for Listed Joint Stock Companies;
- examining key strategic topics and projects of significant financial impact and submitting them to the Board of Directors for approval;

- reviewing the social responsibility policy; evaluating the implementation of media and marketing plans, and submitting Committee recommendations to the Board;
- reviewing social initiatives and submitting Committee recommendations to the Board;
- reviewing the Company's evaluation mechanisms for employees other than the Executive Management and submitting recommendations to the Board of Directors for approval;
- reviewing annual employee performance evaluations and reviews provided by the Executive Management; and
- approving the annual rewards and incentives proposed by the Executive Management for employees.

5.4.1.2 Composition of the Executive Committee

The Executive Committee consists of the following members appointed pursuant to the Board of Directors' resolution dated 23/04/1445H (corresponding to 07/11/2023G).

Table 5.3: Executive Committee Members

Name	Position	Status
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Chairman	Non-Executive
Omar Bijad Hudhali Al-Dalbahi	Member	Executive
Saleh Mohamed Saleh Al-Juhayman	Member	Executive

Source: The Company.

5.4.1.3 Biographies of the Executive Committee Members

Below is a summary of the biographies of the Executive Committee members:

a. Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Chairman of the Executive Committee

Please refer to Section 5.3.2.1 (*Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, Chairman*) for further details regarding the experience, qualifications and current and previous positions of Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi.

b. Omar Bijad Hudhali Al-Dalbahi, Member of the Executive Committee

Please refer to Section 5.3.2.6 (*Omar Bijad Hudhali Al-Dalbahi, Director*) for further details regarding the experience, qualifications and current and previous positions of Omar Bijad Hudhali Al-Dalbahi.

c. Saleh Mohamed Saleh Al-Juhayman, Member of the Executive Committee

Age	45 years.
Nationality	Saudi.
Current Positions in the Company	– Member of the Executive Committee, since 2023G. – Vice President of Operations, since 2024G.
Academic and Professional Qualifications	Bachelor's degree in Civil Engineering, King Saud University, Kingdom of Saudi Arabia, 2004G.
Other Current Positions and Memberships	No other current positions or memberships.
Previous Work Experience	– Executive Vice President, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2022G to 2023G. – Vice President of Projects, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2020G to 2022G. – Director of Water Projects, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2015G to 2020G. – General Manager of Riyadh Governorate Projects, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity working in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2009G to 2015G. – Project Engineer for the Riyadh region, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2008G to 2009G.

5.4.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be composed pursuant to a resolution of the Company's Board of Directors, consisting of at least three members and no more than five members, whether Shareholders or others, provided that at least one of the members is an independent member and none of them are executive Directors. The chairman of the Committee shall be an independent Director.

5.4.2.1 Responsibilities of the Nomination and Remuneration Committee

The functions and responsibilities of the Nomination and Remuneration Committee include the following:

a. Remuneration:

- Preparing a clear policy for the remuneration of Directors, members of Board Committees and Executive Management, to further incentivize the management team and retain distinguished personnel, submitting such policy to the Board of Directors for consideration for its eventual approval by the General Assembly, and ensuring the implementation of such policy. This policy should observe and implement standards related to performance and disclosure;
- clarifying the relationship between the remunerations granted and the applicable remuneration policy, as well as indicating any material deviation from such policy;
- periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its objectives; and
- recommending to the Board of Directors the remuneration of Directors, Board Committee members and the Company's Senior Executives in accordance with the approved policies and regulations.

b. Nomination:

- Proposing clear policies and standards for membership on the Board and for Executive Management positions;
- recommending to the Board the nomination and re-nomination of Directors in accordance with the approved policies and standards, provided that any person who has previously been convicted of a crime involving breach of trust is not nominated;
- preparing a description of the capabilities and qualifications required for membership on the Board and for Executive Management positions;
- determining the time that Directors must devote to the work of the Board of Directors;
- conducting an annual review of the necessary skills or experience required for membership on the Board and for Executive Management positions;
- reviewing the structure of the Board and Executive Management and making recommendations to the Board regarding potential changes;
- developing job descriptions for executive Directors, non-executive Directors, independent Directors and Senior Executives;
- establishing specific procedures to handle situations where the position of a Director or Senior Executive becomes vacant;
- identifying the strengths and weaknesses of the Board and proposing solutions to address them in accordance with the Company's interest; and
- annually verifying the independence of independent Directors and the absence of any conflicts of interest if a Director also serves as a director of another company.

5.4.2.2 Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed and its members were appointed pursuant to a resolution of the Board of Directors issued on 23/04/1445H (corresponding to 07/11/2023G). The Committee's term extends until the expiration of the current Board term, which ends on 05/11/1449H (corresponding to 31/03/2028G). As at the date of this Prospectus, the Nomination and Remuneration Committee comprises the following members:

Table 5.4: Nomination and Remuneration Committee Members

Name	Position	Status
Ibrahim Ali Ibrahim Al-Mohsen	Chairman	Independent
Mutlaq Mohamed Damouk Al-Ghowairi	Member	Non-Executive
Mousa Assaf Hayyan Al-Shamrani	Member	Independent

Source: The Company.

5.4.2.3 Biographies of the Nomination and Remuneration Committee Members

Below is a summary of the biographies of the Nomination and Remuneration Committee members:

a. Ibrahim Ali Ibrahim Al-Mohsen, Chairman of the Nomination and Remuneration Committee

Please refer to Section 5.3.2.4 (*Ibrahim Ali Ibrahim Al-Mohsen, Director*) for further details regarding the experience, qualifications and current and previous positions of Ibrahim Ali Ibrahim Al-Mohsen.

b. Mutlaq Mohamed Damouk Al-Ghowairi, Member of the Nomination and Remuneration Committee

Please refer to Section 5.3.2.3 (*Mutlaq Mohamed Damouk Al-Ghowairi, Director*) for further details regarding the experience, qualifications and current and previous positions of Mutlaq Mohamed Damouk Al-Ghowairi.

c. Mousa Assaf Hayyan Al-Shamrani, Member of the Nomination and Remuneration Committee

Age	69 years.
Nationality	Saudi.
Current Positions in the Company	Member of the Nomination and Remuneration Committee, since 2023G.
Academic and Professional Qualifications	Bachelor's degree in Literature and Humanities, King Abdulaziz University, Kingdom of Saudi Arabia, 1981G.
Other Current Positions and Memberships	Financial Expert, United Nations Development Program, a program that operates in the field of providing consultancy and supporting development in the Kingdom, since 2020G.
Previous Work Experience	- Administrative and Financial Advisor, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2017G to 2019G. - Financial Advisor, General Administration of Financial and Administrative Affairs, Ministry of Environment, Water and Agriculture, a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2015G to 2017G. - Deputy General Manager of Water, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2015G to 2017G. - General Manager of the Planning and Budget Department, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2008G to 2014G. - General Manager of the Budget Department, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2006G to 2008G. - Advisor and Director of the Office of the Superintendent of Financial and Administrative Affairs, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government entity operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2004G to 2006G. - Assistant General Manager of Financial Affairs, Ministry of Industry and Electricity (currently the Ministry of Industry and Mineral Resources), a Government entity operating in the field of regulating the industrial sector within the Kingdom, from 1993G to 2003G. - Head of the Fund Secretariat, Ministry of Industry and Electricity (currently the Ministry of Industry and Mineral Resources), a Government entity operating in the field of regulating the industrial sector within the Kingdom, from 1991G to 1993G. - Director of the Subsidies Division of the Corporate Financial Control Department, Ministry of Industry and Electricity (currently the Ministry of Industry and Mineral Resources) a Government entity operating in the field of regulating the industrial sector within the Kingdom, from 1989G to 1990G. - Accountant, Ministry of Industry and Electricity (currently the Ministry of Industry and Mineral Resources), a Government entity operating in the field of regulating the industrial sector within the Kingdom, from 1981G to 1984G. - Accountant at the Finance Department, Ministry of Industry and Electricity (currently the Ministry of Industry and Mineral Resources), a Government entity operating in the field of regulating the industrial sector within the Kingdom, from 1980G to 1981G. - Clerk at the Department of Personnel Affairs, Ministry of Commerce and Industry (currently the Ministry of Commerce), a Government entity operating in the field of regulating the commercial sector within the Kingdom, from 1974G to 1977G.

5.4.3 Audit Committee

An Audit Committee shall be composed of Shareholders or third parties by a resolution of the Company's Board of Directors, provided that one of its members is an independent member and none of them are the Chairman or the executive Directors. The Audit Committee shall consist of a minimum of three members and a maximum of five members, one of whom should be specialized in finance and accounting.

5.4.3.1 Responsibilities of the Audit Committee

The primary role of the Audit Committee is to monitor the Company's business and ensure the soundness and integrity of financial reports and statements and the internal control systems. In particular, the duties and responsibilities of the Audit Committee include the following:

a. Financial Reports:

- Reviewing the Company's unaudited condensed interim financial information and annual financial statements before presenting them to the Board of Directors, as well as and expressing an opinion and making recommendations regarding them to ensure their integrity, fairness and transparency;

- providing a technical opinion, at the request of the Board, as to whether the annual report of the Board and the Company's financial statements are fair, balanced and understandable and include information that allows Shareholders and Investors to evaluate the Company's financial position, performance, business model and strategy;
- examining any significant or unusual issues included in financial reports and accounts;
- investigating any issues raised by the Vice President of Finance or whoever assumes the duties thereof, as well as those raised by the Company's Compliance Officer or the Auditor;
- verifying accounting estimates with respect to material matters contained in the financial reports; and
- examining the accounting policies followed within the Company and expressing an opinion and making recommendations to the Board thereon.

b. Internal Audit:

- Examining and reviewing the Company's internal control, financial and risk management systems;
- examining internal audit reports and following up on the correction of notes contained therein;
- monitoring and supervising the performance and activities of the Company's internal auditor and internal audit department to verify the availability of the necessary resources and their effectiveness in fulfilling the work and tasks assigned thereto; and
- making recommendations to the Board of Directors on the appointment and remuneration of a director for the Internal Audit Unit or Department or the internal auditor.

c. Auditor:

- Recommending to the Board the nomination and dismissal of auditors, as well as determining their fees and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contract;
- verifying the independence, objectivity and fairness of the Independent Auditor and the effectiveness of the audit work, in accordance with the relevant rules and standards;
- reviewing the plan and work of the Company's Auditor, verifying that it does not provide technical, administrative or consulting work that falls beyond the scope of the audit work, and expressing its views thereon;
- responding to inquiries posed by the Company's Auditor; and
- examining the Independent Auditor's report and observations on the financial statements, expressing its views thereon (if any) and following up on the steps taken in that regard.

d. Compliance:

- Reviewing the results of reports from supervisory authorities and verifying that the Company has taken the necessary measures in relation thereto;
- verifying the Company's compliance with the laws, regulations, policies and directives related to the scope of its work;
- reviewing the contracts and transactions proposed to be concluded by the Company with Related Parties, as well as presenting its views thereon to the Board; and
- raising any issues to the Board that it deems require action and making recommendations on the measures that should be taken.

If there is a conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors, or if the Board refuses to take into account the Audit Committee's recommendation regarding the appointment or dismissal of the Company's Auditor, determination of its fees, evaluation of its performance, or the appointment of the internal auditor, the Board of Directors' report must include the Audit Committee's recommendation and grounds therefor, as well as the reasons for not taking such recommendations into account.

5.4.3.2 Composition of the Audit Committee

The Audit Committee was formed and its members were appointed pursuant to resolutions of the Board of Directors issued on 23/04/1445H (corresponding to 07/11/2023G) and on 01/03/1446H (corresponding to 04/09/2024G). The Committee's term extends until the expiration of the current Board term, which ends on 05/11/1449H (corresponding to 31/03/2028G). As at the date of this Prospectus, the Audit Committee consists of the following members:

Table 5.5: Audit Committee Members

Name	Position	Status
Emad Obaid Thawab Al-Otaibi	Chairman	Independent
Nasser Abdullah Saleh Al-Ofi	Member	Independent
Mohamed Omar Badghaish	Member	Independent

Source: The Company.

5.4.3.3 Biographies of the Audit Committee Members

Below is a summary of the biographies of the Audit Committee members:

a. Emad Obaid Thawab Al-Otaibi

Please refer to Section 5.3.2.5 (*Emad Obaid Thawab Al-Otaibi, Director*) for further information regarding the experience, qualifications and current and previous positions of Emad Obaid Thawab Al-Otaibi.

b. Nasser Abdullah Saleh Al-Ofi, Member of the Audit Committee

Age	69 years.
Nationality	Saudi.
Current Positions in the Company	Member of the Audit Committee, since 2024G.
Academic and Professional Qualifications	- Master's degree in Accounting, University of New Hampshire, USA, 1985G. - MBA, University of New Hampshire, USA, 1985G. - Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 1980G.
Other Current Positions and Memberships	- Member of the Audit Committee, the Saudi Accreditation Center, a Government entity operating in the field of supervising companies licensed to grant specifications to importers, since 2020G. - Member of the Audit Committee, Arab Sea Information Systems, a listed joint stock company operating in the information systems sector, since 2018G. - Director and Chairman of the Audit Committee, United Cement Industrial Company, a closed joint stock company operating in the cement industry, since 2014G.
Previous Work Experience	- Chairman of the Audit Committee, Al Khazaf Pipe Company, a closed joint stock company operating in the field of pipe manufacturing, from 2019G to 2021G. - Director and Chairman of the Audit Committee, Al Rajhi Takaful, a listed joint stock company operating in the field of insurance, from 2018G to 2021G. - Chairman of the Audit Committee, JADCO, a listed joint stock company operating in the field of agriculture, from 2015G to 2018G. - Member of the Audit Committee, Mulkia Investment Company, a listed joint stock company operating in the field of investment, from 2014G to 2017G. - Chairman of the Audit Committee, Taiba Holding, a listed joint stock company operating in the field of real estate, from 2012G to 2017G. - Member of the Audit Committee, JADCO, a listed joint stock company operating in the field of agriculture, from 2012G to 2015G. - Member of the Audit Committee, Al Ahleia Insurance Co., a listed joint stock company operating in the field of insurance, from 2009G to 2015G. - Director, Saudi Automotive Services Co. (SASCO), a listed joint stock company operating in the field of fuel distribution, from 2004G to 2006G. - Chairman of the Audit Committee, Saudi Automotive Services Co. (SASCO), a listed joint stock company operating in the field of fuel distribution, from 2006G to 2021G. - Member of the Audit Committee, Taiba Holding, a listed joint stock company operating in the field of real estate, from 2009G to 2012G.

Previous Work Experience	- Chairman of the Audit Committee and Director, JADCO, a listed joint stock company operating in the field of agriculture, from 2009G to 2012G. - Member of the Audit Committee, Knowledge Economic City, a listed joint stock company operating in the field of real estate development, from 2009G to 2012G. - Chairman of the Audit Committee and Director, Wafrah for Industry & Development, a listed joint stock company operating in the field of food industries, from 2009G to 2012G. - Director of Financial, Administrative and Investment Affairs, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO), a listed joint stock company operating in the field of pharmaceutical industries and medical supplies, from 1992G to 2006G. - Assistant General Manager for Financial and Administrative Affairs, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO), a listed joint stock company operating in the field of pharmaceutical industries and medical supplies, from 1992G to 1992G. - Internal Auditor, Saudi Fund for Development, a Government entity operating in the field of lending, from 1990G to 1992G. - Director of Financial and Administrative Affairs Department, Taiba Investments, a listed joint stock company operating in the field of real estate, from 1988G to 1992G. - Accounting Specialist, Saudi Fund for Development, a Government entity operating in the field of lending, from 1981G to 1988G. - Researcher, Saudi Consulting House, a Government company operating in the field of consulting, from 1980G to 1981G.

c. Mohamed Omar Badghaish, Member of the Audit Committee

Age	46 years.
Nationality	Saudi.
Current Positions in the Company	Member of the Audit Committee, since 2023G.
Academic and Professional Qualifications	- Master's degree in Accounting, Case Western Reserve University, Cleveland, USA, 2007G. - Bachelor's of Science in Accounting, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2003G.
Other Current Positions and Memberships	- General Manager of Internal Audit, Ministry of Industry and Mineral Resources, a Government agency operating in the field of regulating the industrial sector within the Kingdom, since 2021G.
Previous Work Experience	- Director of Internal Audit, Council of Health Insurance, a Government agency operating in the field of developing health services and medical insurance, 2021G. - Head of Audit, Fujian Refining and Petrochemical Company Ltd., a joint venture in China owned by the Saudi Arabian Oil Company (Saudi Aramco), operating in the field of oil refining and petrochemicals, from 2018G to 2020G. - Head of the Conflict of Interest Unit and the Business Ethics in Special Audits Investigation Group, Saudi Arabian Oil Company (Saudi Aramco), a public joint stock company operating in the field of oil and gas, from 2018G to 2020G. - Assistant Auditor General in the Projects and Operations Department, Ministry of Health, a Government agency operating in the field of regulating the health sector within the Kingdom, from 2015G to 2017G. - Senior Auditor in the Administrative and General Audit Department, Saudi Arabian Oil Company (Saudi Aramco), a public joint stock company operating in the field of oil and gas, from 2012G to 2014G.

5.5 Senior Executives

5.5.1 Overview of Senior Executives

The Executive Management consists of qualified members who have the knowledge and experience necessary to manage the Company's business in line with the objectives and directives of the Board. The following table sets out the names and details of the Company's Senior Executives:

Table 5.6: Details of Senior Executives

Name	Position	Date of Appointment ⁽¹⁾	Nationality	Age	Number of Shares Owned Pre-Offering	Number of Shares Owned Post-Offering
Omar Bijad Hudhali Al-Dalbahi	Chief Executive Officer	07/02/1433H (corresponding to 01/01/2012G)	Saudi	59	-	-
Ayman Saleh Abdullah Al-Ghamdi	Vice President of Finance	14/09/1445H (corresponding to 24/03/2024G)	Saudi	52	-	-
Saleh Mohamed Saleh Al-Juhayman	Vice President of Operations	14/09/1445H (corresponding to 24/03/2024G)	Saudi	44	-	-
Abdullah Abdulrahman Mohammed Al-Rasheed	Vice President of Shared Services	30/04/1446H (corresponding to 02/11/2024G)	Saudi	55	-	-
Yahya Mohamed Yahya Al-Yousef	Vice President for Development	14/09/1445H (corresponding to 24/03/2024G)	Saudi	45	-	-
Hatem Abdulaziz Mohammed Al-Morshed	Head of Internal Audit	25/05/1446H (corresponding to 27/11/2024G)	Saudi	35	-	-
Mohamed Ayed Awdah Al Tazaa	Director of Safety and Environmental Protection	22/08/1442H (corresponding to 04/04/2021G)	Saudi	33	-	-
Moayyad Mohammed A Aljohani	Director of Legal Affairs, Governance and Risk Management	23/07/1447H (corresponding to 12/01/2026G)	Saudi	36	-	-

Source: The Company.

⁽¹⁾ The dates listed in this table are the dates of appointment to the current positions in the Company.

5.5.2 Biographies of Senior Executives

Below is a summary of the biographies of the Senior Executives:

5.5.2.1 Omar Bijad Hudhali Al-Dalbahi, Chief Executive Officer

Please refer to Section 5.3.2.6 (*Omar Bijad Hudhali Al-Dalbahi, Director*) for further details regarding the experience, qualifications and current and previous positions of Omar Bijad Hudhali Al-Dalbahi.

5.5.2.2 Ayman Saleh Abdullah Al-Ghamdi, Vice President of Finance

Age	52 years.
Nationality	Saudi.
Current Positions in the Company	Vice President of Finance, since 2024G.
Academic and Professional Qualifications	- Master's of Science in Accounting, King Saud University, Kingdom of Saudi Arabia, 2001G. - Bachelor's degree in Accounting, King Saud University, Kingdom of Saudi Arabia, 1994G.
Other Current Positions and Memberships	- Member of the Audit Committee, Wahat Al Gharb Energy Company, a limited liability company operating in the fields of electricity, gas, water and sewage supply, repair of tanks, cisterns and electrical equipment, and construction of power stations, since 2025G. - Member of the Audit Committee, Wahat Al Wusta Energy Company, a limited liability company operating in the field of electricity, gas, water and sewage supplies, since 2025G. - Chairman of the Audit Committee, Dufaa Financing Company, a closed joint stock company operating in the field of finance, since 2025G. - Member of the Nomination and Remuneration Committee, Dufaa Financing Company, a closed joint stock company operating in the field of finance, since 2025G. - Director, Dufaa Financing Company, a closed joint stock company operating in the field of finance, since 2024G.
Previous Work Experience	- Member of the Audit Committee, Liva Insurance Company, a public joint stock company operating in the field of insurance, from 2015G to 2024G. - Chief Financial Officer, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2023G to 2024G. - Head of Internal Audit, Saudi Ceramic Company, a public joint stock company operating in the field of production and sale of ceramic products, from 2018G to 2023G. - Financial Advisor, King Abdullah Institute for Research and Consulting, a Government agency operating in the field of research and consulting, from 2017G to 2017G. - Financial Advisor, National Water Company, a closed joint stock company operating in the field of providing water services and regulating the water services sector within the Kingdom, from 2016G to 2017G. - Chief Financial Officer, National Water Company, a closed joint stock company operating in the field of providing water services and regulating the water services sector within the Kingdom, from 2014G to 2016G. - Senior Manager of Financial Audit, National Water Company, a closed joint stock company operating in the field of providing water services and regulating the water services sector within the Kingdom, from 2009G to 2014G. - Acting Chief Financial Officer, King Faisal Specialist Hospital & Research Centre, a Government entity operating in the field of providing health services, from 2007G to 2009G. - Director of Financial Policies and Regulations, Saudi Telecom Company, a listed joint stock company operating in the field of providing telecommunications services, from 2006G to 2007G. - Chief Financial Officer, Embassy of the Custodian of the Two Holy Mosques in Berlin, Federal Republic of Germany, from 2004G to 2006G. - Director of Accounts, Sultan Bin Abdulaziz City for Humanitarian Services, a Government entity operating in the field of providing health services, from 2002G to 2004G. - Accounts Payable Supervisor, King Faisal Specialist Hospital & Research Centre, a Government agency operating in the field of providing health services, from 1994G to 2002G.

5.5.2.3 Saleh Mohamed Saleh Al-Juhayman, Vice President of Operations

Please refer to Section 5.4.1.3(c) (*Saleh Mohamed Saleh Al-Juhayman, Member of the Executive Committee*) for further details regarding the experience, qualifications and current and previous positions of Saleh Mohammed Saleh Al-Juhayman.

5.5.2.4 Abdullah Abdulrahman Mohammed Al-Rasheed, Vice President of Shared Services

Age	57 years.
Nationality	Saudi.
Current Positions in the Company	Vice President of Shared Services, since 2024G.
Academic and Professional Qualifications	– Bachelor's of Science in Business Engineering, California State University, San Bernardino, California, USA, 1999G. – Master's Degree in Integrated Marketing Communications, California State University, San Bernardino, California, USA, 2001G.
Other Current Positions and Memberships	No other current positions or memberships.
Previous Work Experience	– General Manager of Consulting Services (Sustainability, Strategy and Transformation), Digital Future, a limited liability company operating in the field of consulting, information technology and communications, from 2022G to 2024G. – Vice President of Shared Services, Operations Planning and Supply Chain Management, Saudi Cable Company, a public joint stock company operating in the field of manufacturing and marketing various voltage cables and infrastructure projects, from 2018G to 2022G. – Director of Business and Industries, Fursan Advanced Industrial Resins Co., a limited liability company operating in the manufacturing and marketing of resins and catalytic chemicals, from 2015G to 2018G. – Head of the Business, Marketing and Sales Department, Rabigh Refining and Petrochemical Company (Petro Rabigh), a listed Saudi joint stock company operating in the manufacturing and marketing of basic petrochemical materials, from 2012G to 2015G. – Head of the Supplier Relations Department, Petro Rabigh, a listed Saudi joint stock company operating in the manufacturing and marketing of basic petrochemical materials, from 2010G to 2012G. – Head of the Inbound Logistics and Warehouse Management Department, Petro Rabigh, a listed Saudi joint stock company operating in the manufacturing and marketing of basic petrochemical materials, from 2009G to 2010G. – Head of the Planning Department, Petro Rabigh, a listed Saudi joint stock company operating in the manufacturing and marketing of basic petrochemical materials, from 2007G to 2008G. – Senior Performance Supervisor (Commercial Operations), Saudi Aramco, a listed Saudi joint stock company operating in the field of energy, refining and the marketing of oil and petrochemicals, from 2002G to 2007G. – Business Analyst, Greenbrier, an American joint stock company operating in the field of manufacturing transportation equipment, from 1998G to 2001G.

5.5.2.5 Yahya Mohamed Yahya Al-Yousef, Vice President of Development

Age	46 years.
Nationality	Saudi.
Current Positions in the Company	Vice President of Development, since 2024G.
Academic and Professional Qualifications	- Bachelor's degree in Civil Engineering, King Saud University, Kingdom of Saudi Arabia, 2001G. - Membership of the Saudi Council of Engineers, Kingdom of Saudi Arabia, 2017G. - Membership of the GCC Commercial Arbitration Centre, 2020G.
Other Current Positions and Memberships	- Director, Stream Operation and Maintenance Company, a limited liability company operating in the field of repair of tanks, cisterns, electrical equipment, roads, sidewalks and water lines, since 2025G. - Director, Stream Water Transmission Company, a limited liability company operating in the field of manufacturing industries, water and sewage activities, waste management, construction, transport and warehousing, since 2025G. - Director, Rawafed Alola For Mining Company, a limited liability company operating in the field of mining and quarry operations, since 2024G. - Director, Emaar Al Nada Limited Company, a limited liability company operating in the field of electricity, gas and water supply and financial and insurance activities, since 2024G. - Director, Wahat Al Khareef Limited Company, a limited liability company operating in the field of electricity, gas, water and sewage supply and financial and insurance activities, since 2024G. - Director, Emaar Al Barah Maintenance Company, a limited liability company operating in the field of electricity, gas, water and sewage supply and financial and insurance activities, since 2024G. - Director, Amar Al Nada Maintenance Company, a limited liability company operating in the field of electricity, gas, water and sewage supply and financial and insurance activities, since 2024G. - Director, Wahat Al Gharb Maintenance Company, a limited liability company operating in the field of electricity, gas, water and sewage supply and manufacturing industries, since 2024G. - Director, Wahat Al Gharb Energy Company, a limited liability company operating in the field of electricity, gas, water and sewage supply, repair of tanks, cisterns and electrical equipment, and construction of power stations, since 2024G. - Director, Wahat Al Wusta Energy Company, a limited liability company operating in the field of electricity, gas, water and sewage supply, since 2024G. - Director, Wahat Al Wusta Maintenance Company, a limited liability company operating in the field of manufacturing industries, water, repair of tanks, cisterns, electrical equipment, roads and sidewalks, since 2024G. - Director, Buhur for Investment, a limited liability company operating in the field of construction and financial services activities, since 2023G.
Previous Work Experience	- Project Manager, Mutlaq Al-Ghowairi Contracting Co., a closed joint stock company operating in the field of construction works and operation and maintenance works, from 2021G to 2023G. - Director of Engineering, Gulf International Bank, a Bahraini joint stock company operating in the field of banking within the Kingdom and the GCC countries, from 2017G to 2020G. - Executive Director of Projects, National Water Company, a closed joint stock company operating in the field of providing water services and regulating the water services sector within the Kingdom, from 2014G to 2016G. - Director of the Asset Services Department in Riyadh, National Water Company, a closed joint stock company operating in the field of providing water services and regulating the water services sector within the Kingdom, from 2008G to 2013G. - Director of Water Projects in Riyadh, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government agency operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2004G to 2007G. - Supervising Engineer of Projects in Riyadh, Ministry of Water and Electricity (currently the Ministry of Environment, Water and Agriculture), a Government agency operating in the field of regulating the environment, water and agriculture sector within the Kingdom, from 2001G to 2003G.

5.5.2.6 Mohamed Ayed Awdah Al Tazaa, Director of Safety and Environmental Protection

Age	34 years.
Nationality	Saudi.
Current Positions in the Company	Director of Safety and Environmental Protection, since 2021G.
Academic and Professional Qualifications	- Bachelor's degree in Civil Engineering, Jazan University, Kingdom of Saudi Arabia, 2015G. - Certificate in Professional Project Management, Project Management Institute, USA, 2020G. - Certificate in Professional Risk Management, Project Management Institute, USA, 2020G. - Certificate in Administrative Skills Development, Riyadh Chamber, Kingdom of Saudi Arabia, 2018G. - OSHA Certificate for General Industries, USA, 2018G. - International General Certificate in Occupational Health and Safety, National Examination Board in Occupational Health and Safety, United Kingdom, 2020G. - Lead Auditor Certificate - ISO 45001, Veritas United (accredited by the International Register of Certified Auditors (IRCA)), Thailand, 2021G. - Lead Auditor Certificate - ISO 14001, Veritas United (accredited by the International Register of Certified Auditors (IRCA)), Thailand, 2015G. - Lead Auditor Certificate - ISO 9001, British Standards Institution, United Kingdom, 2015G.
Other Current Positions and Memberships	- No other current positions or memberships.
Previous Work Experience	- Safety and Environmental Protection Engineer, Al Babbain Contracting Company, a one-person limited liability company operating in the field of contracting, from 2015G to 2021G. - Administrative Officer, Jazan University Hospital, a Government agency operating in the field of health, from 2011G to 2015G.

5.5.2.7 Hatem Abdulaziz Mohammed Al-Morshed, Head of Internal Audit

Age	35 years.
Nationality	Saudi.
Current Positions in the Company	Head of Internal Audit, since 2024G.
Academic and Professional Qualifications	- Bachelor's Degree in Business Administration, majoring in Accounting, Cape Breton University, Canada, 2017G. - Diploma in Engineering, majoring in Electrical Engineering, Technical College in Buraidah, 2010G.
Other Current Positions and Memberships	- No other current positions or memberships.
Previous Work Experience	- Chief Auditor, PwC, a limited liability company operating in the field of auditing, from 2022G to 2024G. - Chief Auditor, Ernst & Young, a limited liability company operating in the field of auditing, from 2021G to 2022G. - Audit Assistant 1, Ernst & Young, a limited liability company operating in the field of auditing, from 2020G to 2021G. - Audit Assistant 2, Ernst & Young, a limited liability company operating in the field of auditing, from 2019G to 2020G. - Audit Assistant 3, Ernst & Young, a limited liability company operating in the field of auditing, from 2018G to 2019G.

5.5.2.8 Moayyad Mohammed A Aljohani, Director of Legal Affairs, Governance and Risk Management

Age	36 years.
Nationality	Saudi.
Current Positions in the Company	Director of Legal Affairs, Governance, and Risk Management, since 2026G.
Academic and Professional Qualifications	Bachelor's degree in criminal justice/law enforcement, Winona State University, Winona Minnesota, USA, 2016G.
Other Current Positions and Memberships	No other current positions or memberships.
Previous Work Experience	– Head of Legal Affairs and Governance, Thimar Development Holding Company, a listed joint stock company operating in the field of consumer staples distribution and governance, from 2024G to 2026G. – Acting Head of Legal Affairs, Abraj Thumar, a limited liability company operating in the field of real estate, from 2024G to 2026G. – Acting Head of Legal Affairs, Wasmi and Tamar Meat Company, a limited liability company operating in the field of food sector, from 2024G to 2026G. – Employee Investigation – Senior Specialist, Mobily, a listed joint stock company operating in the field of telecommunication services, from 2022G to 2024G. – Investigator and legal advisor, Saudi Telecom Co (stc), a listed joint stock company operating in the field of telecommunication services, from 2017G to 2020G.

5.6 Declarations of the Directors, Senior Executives and the Secretary

The Directors, Senior Executives and the Board Secretary declare that:

- they have not been declared bankrupt or been subject to bankruptcy proceedings;
- none of the companies in which any of the Directors, Senior Executives or the Secretary were employed in a managerial or supervisory capacity has been declared insolvent during the previous five years; and
- except as disclosed in Section 5.9 (*Conflicts of Interest*) and Section 11.7 (*Related Party Transactions*) of this Prospectus, none of the Directors, Senior Executives, Board Secretary, or any of their relatives has any direct or indirect interest in the Company's Shares or debt instruments or any interest in any other matter that could affect the Company's business.

5.7 Contracts Concluded with the Directors, Chief Executive Officer and Vice President of Finance

5.7.1 Contracts Concluded with the Directors

As at the date of this Prospectus, no employment contracts or service contracts have been concluded between the Company and the Directors aside from the employment contract concluded with Omar Bijad Hudhali Al-Dalbahi in his capacity as Chief Executive Officer of the Company.

5.7.2 Contracts Concluded with the Chief Executive Officer and Vice President of Finance

The following table sets out a summary of the employment and service contracts concluded between the Company and the Chief Executive Officer and the Vice President of Finance.

Table 5.7: Summary of Employment Contracts Concluded with the Chief Executive Officer and Vice President of Finance

Name	Position	Date of Appointment	Current Employment Contract Conclusion Date	Contract Duration and Renewal Mechanism
Omar Bijad Hudhali Al-Dalbahi	Chief Executive Officer	07/02/1433H (corresponding to 01/01/2012G)	23/08/1445H (corresponding to 04/02/2024G)	Five years commencing from 24/02/1443H (corresponding to 01/10/2021G). The contract is automatically renewable for a similar period unless either party notifies the other of its intention not to renew 30 days before the contract expiration date.
Ayman Saleh Abdullah Al-Ghamdi	Vice President of Finance	14/09/1445H (corresponding to 24/03/2024G)	09/01/1446H (corresponding to 15/07/2024G)	One year commencing from 09/01/1446G (corresponding to 15/07/2024G). The contract is automatically renewable for a similar period unless either party notifies the other of its intention not to renew 30 days before the contract expiration date.

Source: The Company.

5.8 Remuneration of Directors, Committee Members and Senior Executives

Pursuant to the Company's Bylaws, the remuneration of Directors shall be determined by the Ordinary General Assembly in accordance with the official resolutions and directives issued by the Ministry of Commerce in this regard and within the framework of the provisions stipulated in the Companies Law and any other relevant supplementary regulations. Allowances for attending meetings and transportation shall be set by the Board in accordance with the applicable laws, resolutions and directives of the Kingdom as determined by the competent authorities.

The table below sets out the total remuneration and benefits granted by the Company to Directors, Board Committee members and the top five Senior Executives who received the highest remuneration and compensation from the Company, including the Chief Executive Officer and the Vice President of Finance:

Table 5.8: Remuneration of Directors, Committee Members and the Top Five Senior Executives

SAR	Financial Year Ended 31 December 2022G	Financial Year Ended 31 December 2023G	Financial Year Ended 31 December 2024G	Six-Month Period Ended 30 June 2025G
Directors	-	1,018,000	932,370	-
Committee members	-	340,554	804,988	-
Top five Senior Executives who received the highest remuneration and compensation from the Company, including the Chief Executive Officer and the Vice President of Finance	750,000	9,172,473	7,950,000	3,300,000
Total	750,000	10,531,027	9,687,358	3,300,000

Source: The Company.

5.9 Conflicts of Interest

Pursuant to the provisions of Articles 27 and 71 of the Companies Law, neither the Company's Bylaws nor the Company's internal regulations or policies grant Directors the power to vote on any contract, business or proposal in which they have a direct or indirect interest. Furthermore, the aforementioned articles also stipulate that Directors may not have any direct or indirect interest in the business and contracts concluded for the Company without the authorization of the Ordinary General Assembly, the Shareholders or their designees. In addition, Article 27 of the Companies Law prohibits Directors from participating in any business that would compete with the Company or any of its activities, unless authorization is obtained from the General Assembly, the Shareholders, or their designees.

Pursuant to Article 71 of the Companies Law, Directors must disclose and notify the Board of any direct or indirect interests they have in the business and contracts conducted on behalf of the Company. Such notification shall be recorded in the minutes of the Board meeting when it is held. The Board shall inform the Ordinary General Assembly, when it convenes, of the business and contracts in which a Director has a direct or indirect interest. This notification shall be accompanied by a special report from the Company's Auditor, which shall be prepared in accordance with the auditing standards approved in the Kingdom.

A Director who has a direct or indirect interest in the business and contracts conducted on behalf of the Company may not participate in deliberations or vote on the resolutions issued regarding such contracts and business.

The Company has prepared and implemented a clear written policy to deal with conflicts of interest and Related Party transactions. Such policy is appropriate for the scale, nature, and organizational structure of the Company, to establish a straightforward mechanism for identifying conflicts of interest, competition criteria and cases requiring the approval of the General Assembly. The policy on conflicts of interest and Related Party transactions sets strict procedures that aim to comply with the Companies Law, the Corporate Governance Regulations and the Implementing Regulations of the Companies Law for Listed Joint Stock Companies, in addition to other relevant requirements. The Board of Directors approved the conflicts of interest policy on 12/02/1447H (corresponding to 06/08/2025G).

5.9.1 Interests of the Directors, Senior Executives and Board Secretary in the Company's Shares and Debt Instruments

As at the date of this Prospectus, none of the Directors, Senior Executives or the Board Secretary own any shares or debt instruments in the Company, except for the Directors whose names are mentioned below. The following table sets out details of the shareholdings of Directors in the Company:

Table 5.9: Details of the Shareholding of Directors in the Company

Name	Position	Share Ownership (Pre-Offering)	Description
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Chairman	52.500% (direct ownership)	As at the date of this Prospectus, Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi directly owns 420,000,000 Shares in the Company, representing 52.500% of the Company's total Shares.
Terad Damouk Mutlaq Al-Ghowairi	Vice Chairman	22.500% (direct ownership)	As at the date of this Prospectus, Terad Damouk Mutlaq Al-Ghowairi directly owns 180,000,000 Shares in the Company, representing 22.500% of the Company's total Shares.
Mutlaq Mohamed Damouk Al-Ghowairi	Director	4.236% (direct ownership)	As at the date of this Prospectus, Mutlaq Mohamed Damouk Al-Ghowairi directly owns 33,888,000 Shares in the Company, representing 4.236% of the Company's total Shares.

Source: The Company.

5.9.2 Interests of the Directors, Senior Executives and Board Secretary in the Contracts and Agreements Concluded with the Company

As at the date of this Prospectus, none of the Directors, Senior Executives, or the Board Secretary has any interest in the contracts and agreements concluded with the Company, except as mentioned herein. The following table sets out the details of agreements and transactions in effect with Related Parties in which the Directors have an interest (for further information regarding these agreements, please refer to Section 11.7 (*Related Party Transactions*)).

Table 5.10: Details of Existing Agreements and Transactions with Related Parties in which the Directors have an Interest

Contract/Transaction	Related Party	Interested Party	Contract Value	Signature Date, Contract Term and Expiration Date	Rationale for Interest	Date of Assembly Authorization/ Board Resolution Pursuant to Assembly Authorization (as applicable)
Subcontracting agreement	Transmission Lines Trading and Contracting Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 168,061,442	The contract was signed on 01/09/1446H (corresponding to 01/03/2025G). The term of the contract is 18 months, commencing from the site access date which is 08/10/1446H (corresponding to 06/04/2025G) and ending on 25/04/1448H (corresponding to 06/10/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi is the father of the owners of Transmission Lines Trading and Contracting Company, one of whom holds the position of General Manager therein.	27/08/1446H (corresponding to 26/02/2025G)
Lease contract	Haraskom for Security Guards Company	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 9,078,100	The contract was signed on 03/10/1446H (corresponding to 01/04/2025G). The term of the contract is ten months from the signing date, i.e., until 13/08/1447H (corresponding to 01/02/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is the general manager and owner of Haraskom for Security Guards Company. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, is his full brother.	06/11/1446H (corresponding to 04/05/2025G)
Lease contract	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi	SAR 54,000	The contract was signed on 22/09/1446H (corresponding to 22/03/2025G). The term of the contract is one year, commencing on 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, has a direct interest in this contract in his capacity as the lessor. In addition, the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi	SAR 68,000	The contract was signed on 05/12/1446H (corresponding to 01/06/2025G). The term of the contract is one year, commencing on 07/02/1447H (corresponding to 01/08/2025G) and ending on 17/02/1448H (corresponding to 31/07/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi, has a direct interest in this contract in his capacity as the lessor. In addition, the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is his full brother.	12/02/1447H (corresponding to 06/08/2025G)

Contract/ Transaction	Related Party	Interested Party	Contract Value	Signature Date, Contract Term and Expiration Date	Rationale for Interest	Date of Assembly Authorization/ Board Resolution Pursuant to Assembly Authorization (as applicable)
Lease contract	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 77,000	The contract was signed on 22/02/1447H (corresponding to 16/08/2025G). The term of the contract is one year, commencing on 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al- Ghowairi Al-Otaibi, has a direct interest in this contract in his capacity as the lessor. In addition, the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is his full brother.	23/03/1447H (corresponding to 15/09/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 220,000	The contract was signed on 24/03/1447H (corresponding to 16/09/2025G). The term of the contract is one year, commencing on 24/05/1447H (corresponding to 15/11/2025G) and ending on 04/06/1448H (corresponding to 14/11/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	23/03/1447H (corresponding to 15/09/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 40,000	The contract was signed on 22/09/1446H (corresponding to 22/03/2025G). The term of the contract is one year, commencing on 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 60,000	The contract was signed on 10/09/1446H (corresponding to 10/03/2025G). The term of the contract is one year, commencing on 12/11/1446H (corresponding to 10/05/2025G) and ending on 22/11/1447H (corresponding to 09/05/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 100,000	The contract was signed on 10/05/1447H (corresponding to 01/11/2025G). The term of the contract is 364 days, commencing on 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	12/08/1447H (corresponding to 31/01/2026G)

Contract/ Transaction	Related Party	Interested Party	Contract Value	Signature Date, Contract Term and Expiration Date	Rationale for Interest	Date of Assembly Authorization/ Board Resolution Pursuant to Assembly Authorization (as applicable)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 400,000	The contract was signed on 02/09/1446H (corresponding to 02/03/2025G). The term of the contract is one year, commencing on 03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 60,000	The contract was signed on 30/07/1446H (corresponding to 30/01/2025G). The term of the contract is one year, commencing on 30/10/1446H (corresponding to 01/04/2025G) and ending on 12/10/1447H (corresponding to 31/03/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 70,000	The contract was signed on 09/03/1447H (corresponding to 01/09/2025G). The term of the contract is one year, commencing on 10/05/1447H (corresponding to 01/11/2025G) and ending on 20/05/1448H (corresponding to 31/10/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	23/03/1447H (corresponding to 15/09/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 115,000	The contract was signed on 03/10/1446H (corresponding to 01/04/2025G). The term of the contract is one year, commencing on 05/12/1446H (corresponding to 01/06/2025G) and ending on 14/12/1447H (corresponding to 31/05/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	12/02/1447H (corresponding to 06/08/2025G)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 230,000	The contract was signed on 07/01/1447H (corresponding to 02/07/2025G). The term of the contract is 364 days, commencing on 09/03/1447H (corresponding to 01/09/2025G) and ending on 18/03/1448H (corresponding to 31/08/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	23/03/1447H (corresponding to 15/09/2025G)

Contract/ Transaction	Related Party	Interested Party	Contract Value	Signature Date, Contract Term and Expiration Date	Rationale for Interest	Date of Assembly Authorization/ Board Resolution Pursuant to Assembly Authorization (as applicable)
Lease contract	Terad Damouk Mutlaq Al- Ghowairi	Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	SAR 32,000	The contract was signed on 22/05/1447H (corresponding to 28/11/2024G). The term of the contract is one year, commencing on 10/06/1447H (corresponding to 01/12/2025G), ending on 20/06/1448H (corresponding to 30/11/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, has a direct interest in this contract in his capacity as the lessor. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	23/03/1447H (corresponding to 15/09/2025G)
Lease contract	Neuer Madkhal Zaid Al- Ghowairi	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 59,000	The contract was signed on 09/04/1447H (corresponding to 01/10/2025G). The term of the contract is one year, commencing on 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al- Ghowairi Al- Otaibi, and the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, have an indirect interest in this contract in their capacity as sons of the lessor.	29/04/1447H (corresponding to 21/10/2025G)
Lease contract	Afaq Alfikr AlAhlyyah Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 128,784	The contract was signed on 11/07/1446H (corresponding to 11/01/2025G). The term of the contract is one year, commencing on 13/09/1446H (corresponding to 13/03/2025G) and ending on 23/09/1447H (corresponding to 12/03/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is the general manager and owner of Afaq Alfikr AlAhlyyah Company. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)
Lease contract	Afaq Alfikr AlAhlyyah Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 32,196	The contract was signed on 22/11/1446H (corresponding to 20/05/2025G). The term of the contract is one year, commencing on 25/01/1447H (corresponding to 20/07/2025G) and ending on 05/02/1448H (corresponding to 19/07/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is the general manager and owner of Afaq Alfikr AlAhlyyah Company. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	12/02/1447H (corresponding to 06/08/2025G)
Lease contract	Afaq Alfikr AlAhlyyah Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 64,392	The contract was signed on 19/08/1446H (corresponding to 18/02/2025G). The term of the contract is one year, commencing on 22/10/1446H (corresponding to 20/04/2025G) and ending on 02/11/1447H (corresponding to 19/04/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is the general manager and owner of Afaq Alfikr AlAhlyyah Company. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	03/11/1446H (corresponding to 01/05/2025G)

Contract/ Transaction	Related Party	Interested Party	Contract Value	Signature Date, Contract Term and Expiration Date	Rationale for Interest	Date of Assembly Authorization/ Board Resolution Pursuant to Assembly Authorization (as applicable)
Lease contract	Afaq Alfikr AlAhlyyah Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 96,000	The contract was signed on 22/05/1447H (corresponding to 13/11/2024G). The term of the contract is one year, commencing on 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G).	The Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, is the general manager and owner of Afaq Alfikr AlAhlyyah Company. In addition, the Chairman, Mutlaq Damouk Mutlaq Al-Ghowairi Al- Otaibi, is his full brother.	29/05/1447H (corresponding to 20/11/2025G)
Lease contract	Noura Damouk Mutlaq Al- Otaibi	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 422,487	The contract was signed on 22/05/1447H (corresponding to 13/11/2024G). The term of the contract is one year, commencing on 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G).	The Chairman, Mutlaq Damouk Mutlaq Al- Ghowairi Al- Otaibi, and the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, have an indirect interest in this contract in their capacity as siblings of the lessor.	29/05/1447H (corresponding to 20/11/2025G)
EPC Contract	Stream Water Transmission Company	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al- Ghowairi	SAR 6,637,560,563	The agreement was signed on 13/06/2025G and became effective on the same date. It will remain in force until the issuance of the final acceptance certificate, with the final project handover expected to be on 31/05/2031G.	The Chairman, Mutlaq Damouk Mutlaq Al- Ghowairi Al- Otaibi, the Vice Chairman, Terad Damouk Mutlaq Al-Ghowairi, and Director Mutlaq Mohamed Damouk Al- Ghowairi have an indirect interest in this agreement due to their shareholding in the company controlling Stream Water Transmission Company.	13/02/1447H (corresponding to 07/08/2025G)

Source: The Company.

5.9.3 Competing Business

Paragraph 2 of Article 27 of the Companies Law prohibits Directors from participating in any business that would compete with the Company or any of its activities, unless authorization is obtained from the General Assembly, the Shareholders, or their designees. Paragraph 3 of Article 44 of the Corporate Governance Regulations requires Directors to inform the Ordinary General Assembly, when it convenes, of the competing business undertaken by the Directors or Board Committee members, after the Board has verified that such Director or Committee member competes with the Company's business or activities, in accordance with criteria issued by the Company's General Assembly. Accordingly, the Company's General Assembly approved the Company's Business Competition Criteria and Controls policy on 14/09/1445H (corresponding to 24/03/2024G), which lists the following activities and businesses as competitive with the Company's activities, namely:

- construction of roads, streets, sidewalks, and road appurtenances;
- construction of bridges and tunnels;
- construction of stations and main lines for water distribution;
- construction of dams and tanks; and
- construction works for urban development.

The Company's Business Competition Criteria and Controls also set out specific conditions that must be met for a Director's activities to be deemed competitive with the Company's business and therefore require General Assembly approval under the Companies Law and the Corporate Governance Regulations. These conditions include that the competition must fall within the same scope of business and tenders in which the Company operates, that the competing entity must be classified as "Large" under its classification certificate issued by the Ministry of Municipalities and Housing, that its Commercial Register activities must match one or more of the activities listed in the Company's Commercial Registration Certificate, and that its establishment certificate issued by the Ministry of Municipalities and Housing must correspond to or be identical with the activities stated in the Company's classification certificate issued by the Ministry of Municipalities and Housing.

As at the date of this Prospectus, the Company's Directors are not engaged in any business that competes with the Company's business or any of its activities according to the Company's Business Competition Criteria and Controls approved by the General Assembly.

Based on the above, the Board of Directors declares and confirms that each Director shall:

- comply with Articles 27 and 71 of the Companies Law and Articles 40 to 46 of the Corporate Governance Regulations;
- abstain from voting on the resolutions of the Board of Directors or the General Assembly related to business, contracts or transactions concluded with Related Parties that are conducted on behalf of the Company if they have a direct or indirect interest in such business and contracts or have a direct or indirect competitive interest therein; and
- not participate in any business or activity that would compete with the Company without authorization from the Ordinary General Assembly pursuant to Article 27 of the Companies Law.

5.10 Corporate Governance

The Company adopted its internal governance regulations and policies in accordance with the Corporate Governance Regulations, the Companies Law and the Company's Bylaws pursuant to the resolutions of the Board of Directors 23/04/1445H (corresponding to 07/11/2023G), 14/09/1445H (corresponding to 24/03/2024G) and 12/02/1447H (corresponding to 06/08/2025G). The Extraordinary General Assembly held 02/05/1445H (corresponding to 16/11/2023G) and the General Assembly held on 14/09/1445H (corresponding to 24/03/2024G) further approved the regulations and policies requiring approval in accordance with the provisions of the Corporate Governance Regulations.

The Company's internal governance regulations and policies include the following:

1. Corporate Governance Manual;
2. Board of Directors Charter;
3. Disclosure Policy;
4. Professional Conduct Policy;

5. Board Membership Policy and Criteria;
6. Social Responsibility Policy;
7. Remuneration Policy;
8. Conflict of Interests Policy;
9. Whistleblower and Complaints Policy;
10. Dividend Distribution Policy;
11. Internal Control System Document;
12. Stakeholder Relationship Management Policy;
13. Risk Policy;
14. Authority Matrix;
15. Audit Committee Charter;
16. Nomination and Remuneration Committee Charter;
17. Executive Committee Charter; and
18. Company Business Competition Criteria and Controls.

The Company complies with the mandatory governance requirements applicable to Saudi listed companies under the Corporate Governance Regulations, excluding certain provisions on listed companies with which the Company does not currently comply, given that the Company's Shares have not yet been listed on the Exchange; namely:

- Article 8(a) on announcing information regarding candidates for Board membership on the Exchange's website upon calling for a General Assembly;
- Article 8(b) on limiting voting in the General Assembly to candidates whose information was announced in accordance with Article 8(a);
- Article 13(d) on publishing the invitation to the General Assembly on the websites of the Exchange and the Company;
- Article 13(h) on recording the details of Shareholders wishing to attend General Assembly meetings;
- Article 14(c) on making information related to the General Assembly agenda available to Shareholders through the websites of the Exchange and the Company, as well as providing information related to the items of the General Assembly agenda, particularly the reports of the Board of Directors and the Independent Auditor, the financial statements and the report of the Audit Committee;
- Article 15(e) on announcing to the public and informing the CMA and the Exchange of the results of General Assembly meetings immediately following their conclusion;
- Article 17(d) on notifying the CMA of the names of the Directors and descriptions of their memberships, as well as any changes to their membership, within five working days from the date of such changes;
- Article 60 on meetings of the Remuneration Committee, which shall meet periodically at least once a year, and as may be necessary;
- Article 64 on meetings of the Nomination Committee, which shall meet periodically at least once a year, and as may be necessary;
- Article 65 on the Company publishing the nomination announcement for Board membership on the websites of the Company and the Exchange to invite persons wishing to be nominated for membership on the Board, provided that the nomination period remain open for at least one month from the date of such announcement; and
- Articles 86, 87, 88(b), 89 and 90 on disclosure policies and procedures.

The Company is not currently compliant with the above-mentioned provisions of the Corporate Governance Regulations due to the fact that the Company is a closed joint stock company and its Shares are not yet listed on the Exchange. The Directors undertake to abide by these provisions immediately upon listing of the Company's Shares on the Exchange. The Directors further declare that the Company is currently compliant with the majority of the other provisions contained in the Corporate Governance Regulations and the Companies Law.

5.11 Employee Share Schemes

The Company does not have any employee share schemes in place or other arrangements involving employees in the Company's share capital prior to the application for registration and offer of securities subject to this Prospectus.

5.12 Employees

5.12.1 Number of Employees

As at 30 June 2025G, the total number of the Company's employees was 4,360 (of whom 647 are Saudi nationals). The following table sets out the number of Company employees by department as at 31 December 2022G, 2023G and 2024G and 30 June 2025G:

Table 5.11: Number of Company Employees by Department as at 31 December 2022G, 2023G and 2024G and 30 June 2025G:

Department	As at 31 December 2022G			As at 31 December 2023G			As at 31 December 2024G			As at 30 June 2025G		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
Office of the Chief Executive Officer	11	1	12	13	1	14	2	2	4	2	2	4
Legal Affairs, Governance and Risk	3	1	4	5	1	6	6	1	7	6	1	7
Internal Audit	-	-	-	-	1	1	-	1	1	1	2	3
Safety and Environmental Protection	4	1	5	5	-	5	49	57	106	49	67	116
Finance	6	14	20	6	17	23	10	12	22	11	12	23
Treasury	-	1	1	-	1	1	3	2	5	3	2	5
Planning	1	6	7	-	8	8	1	22	23	-	11	11
Technical Affairs	1	14	15	-	16	16	-	16	16	5	89	94
Equipment and Transportation	-	27	27	1	29	30	-	44	44	-	57	57
Quality Management	-	4	4	-	4	4	-	44	44	-	7	7
Contracts	-	1	1	-	1	1	-	2	2	2	3	5
Tenders	-	4	4	-	4	4	-	1	1	-	1	1
Supply Chain	4	23	27	6	16	22	3	33	36	3	34	37
Human Resources and Support Services	116	25	141	69	32	101	159	38	197	144	47	191
Projects	177	1,821	1,998	372	2,646	3,018	354	2,983	3,337	419	3,377	3,796
Public Relations	-	-	-	-	-	-	1	-	1	2	1	3
Total	323	1,943	2,266	477	2,777	3,254	588	3,258	3,846	647	3,713	4,360

Source: The Company.

5.12.2 Saudization and Nitaqat

The Saudization “Nitaqat” program was approved pursuant to the resolution of His Excellency the Minister of Human Resources and Social Development No. 4040, dated 12/10/1432H (corresponding to 10/09/2011G), based on Council of Ministers’ Resolution No. 50, dated 21/05/1415H (corresponding to 27/10/1994G). The Nitaqat program was implemented on 12/10/1432H (corresponding to 10/09/2011G). The Ministry of Human Resources and Social Development implemented the Nitaqat program to incentivize companies to hire Saudi nationals. The Nitaqat program evaluates a company’s performance based on specific categories (ranges), namely: platinum, green (subdivided into low, medium and high) and red. Companies classified in the platinum or green category are deemed to have met Saudization requirements and are therefore entitled to several benefits, including the ability to obtain and renew work visas or otherwise change the occupations of foreign workers (except for professions exclusively reserved for Saudi nationals). Companies in the red category are deemed to be non-compliant with the Saudization requirements and may consequently be subject to punitive measures, including restriction on their ability to renew foreign employees’ work visas or completely prohibiting foreign employees from obtaining or renewing work visas.

The Company obtained Saudization Certificate No. 195734-17418444, dated 15/04/1445H (corresponding to 30/10/2023), expiring on 08/01/1448H (corresponding to 23/06/2026G), from the Ministry of Human Resources and Social Development, through which the Ministry of Human Resources and Social Development certifies that the Company has met the Saudization requirements.

The following table shows the level of the Company’s compliance with the Saudization requirements, as demonstrated by its classification under the Nitaqat program as at 30 June 2025G:

Table 5.12: The Company’s Classification in the Nitaqat Program as at 30 June 2025G

Entity	Saudi	Non-Saudi	Total	Nationalization (%) and Nitaqat Category	Range	Nitaqat Classification
The Company	647	3,713	4,360	16%	Medium green	Construction and building contracting

Source: The Company.



المشروع
Saline Water Conversion Corporation



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06

Management Discussion and Analysis of Financial Position and Results of Operations

6. Management Discussion and Analysis of Financial Position and Results of Operations

6.1 Introduction

This section includes an analytical review of the Company's performance and financial position as at and for the financial years ended 31 December 2022G, 2023G, and 2024G, and the six-month period ended 30 June 2025G, and comparative figures for the six-month period ended 30 June 2024G. This section should be read in conjunction with the financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G.

The financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G were audited by PricewaterhouseCoopers Public Accountants and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G were reviewed by PricewaterhouseCoopers Public Accountants.

As at the date of this Prospectus, PricewaterhouseCoopers Public Accountants have provided their written consent to referencing their role as the Company's Independent Auditor in the periods mentioned above for the purpose of this Prospectus.

The audited financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, were 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 issued by the SOCPA.

The Company's financial information as at and for the financial years ended 31 December 2022G, 2023G, and 2024G has been extracted from the Company's audited financial statements for the years ended 2022G, 2023G, and 2024G, respectively.

The Company's financial information as at and for the six-month period ended 30 June 2025G have been extracted from the Company's unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G. The financial information for the six-month period ended 30 June 2024G, has been extracted from the unaudited comparative financial information included in the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, without any material adjustment.

The Company's audited financial statements for the years ended 2022G, 2023G, and 2024G, respectively, and the Company's unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, are included in Section 18 "Financial Statements and Independent Auditor's Report Thereon" of this Prospectus.

Furthermore, financial information that is not derived from the Company's audited financial statements for the years ended 2022G, 2023G, and 2024G, respectively, and the Company's unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, has been extracted from Management information, where applicable.

The terms of the financial statement line items as defined in the financial statements for the financial year ended 31 December 2024G, and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, have been used when discussing the Company's performance and financial position as at and for the financial years ended 31 December 2022G and 2023G and as at 30 June 2025G and for the six-month periods ended 30 June 2025G and 2024G, respectively. This is to ensure consistency with the terminology used in the financial statements for the financial year ended 31 December 2024G, or the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, as applicable. Consequently, the headings of such items may not be comparable to the terminology used in the financial statements for the financial years ended 31 December 2022G and 2023G.

All financial information included in this section are presented in Saudi Riyals, unless otherwise stated. The figures in this report have been rounded to the nearest million Saudi Riyals. Therefore, when summing the figures provided in the tables, the total may not exactly correspond to the total specified in those tables. It is also worth noting that all percentages, annual growth rates and profit margins have been rounded to the nearest decimal. Therefore, calculating percentages using the numbers in the tables may not fully reconcile with the percentages shown in the tables.

This Section may include statements of forward-looking nature related to the Company's future prospects based on management's plans and current expectations of the Company's growth, results of operations, and financial situation and may include risks and unconfirmed forecasts. The Company's actual results could differ materially from those expressed or implied in such data and statements as a result of various factors, including those discussed within this Section and elsewhere in this Prospectus.

6.2 Declarations of Board Members regarding the Financial Statements

The members of the Board of Directors of the Company hereby declare that:

1. The financial information contained in this section has been extracted without material modifications and presented in accordance with the audited financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G, which were prepared in accordance with IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA, without any material modifications made thereto; and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, which was prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as endorsed in the Kingdom, and other standards and pronouncements issued by the SOCPA. Furthermore, financial information not derived from the Company's audited financial statements for the financial years ended 2022G, 2023G, and 2024G, respectively, and the Company's unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, has been extracted from Management information.
2. The financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G have been audited in accordance with International Standards on Auditing ("ISAs") as endorsed in the Kingdom, and the interim financial information has been reviewed 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 for the three-month and six-month periods ended 30 June 2025G.
3. The members of the Board of Directors recognize that no significant structural changes occurred in the issuer during the last three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this Prospectus.
4. The members of the Board of Directors acknowledge that the issuer's accounting policies have not changed significantly during the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this Prospectus.
5. The Company has sufficient working capital for a period of at least 12 months immediately following the date of this Prospectus.
6. The comparison tables contained in this section have been prepared on a consolidated basis for the financial years ended 31 December 2022G, 2023G, and 2024G and each of the six-month periods ended 30 June 2024G, and 2025G. They contain financial information presented consistently with the Company's financial statements for the financial years ended 31 December 2022G, 2023G, and 2024G and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G, unless otherwise stated.
7. There has been no material adverse change in the financial and commercial position of the Company during the three financial years preceding the date of submitting the application for registration and offering the securities subject to this Prospectus, which are covered by the Independent Auditor's Report, up to the date of approval of the Prospectus.
8. The members of the Board of Directors confirm that all material facts about the Company and its financial performance have been disclosed in this Prospectus, and that there are no further facts that would render any statement here misleading in this Prospectus.
9. No commissions, discounts, brokerage fees, or any non-monetary considerations were granted by the Company to the members of the Board of Directors, Chief Executives, those offering or issuing securities or experts during the three financial years preceding the date of submitting the application for registration and offering the securities subject to this Prospectus.

10. There are no shares under option as at the date of this Prospectus.
11. The Company is unaware of any seasonality or economic cycles pertaining to the business that may impact the Company's business and financial position other than what is mentioned in section 2 (*Risk Factors*).
12. Other than what is mentioned in section 2 (*Risk Factors*), the Company is unaware of any information regarding any government, economic, financial, monetary or political policies or other factors that have or may have a material direct or indirect impact on the Company's operations.
13. There are no mortgages, liens or encumbrances or charges on the Company's property as at the date of this Prospectus.
14. The Company does not own any properties including contractual securities or other assets whose values are subject to significant fluctuations or are difficult to determine, that could materially affect the financial position of the Company.
15. Other than what is mentioned in section 2.1.24 "*Risks Related to the Bank Guarantees Provided by the Company and Letters of Credit Issued by Banks for the Company to Conduct its Business*", and what is disclosed in this section, the Company does not have any possible obligations, securities or any other significant fixed assets intended to be acquired or leased.
16. The Company has no loans or other debt, including bank overdrafts. They also state that there are no guarantee obligations (including personal guarantees, non-personal guarantees, secured or un-secured guarantees), acceptance obligations, acceptance credit, or lease purchase obligations, except as disclosed in this section, section 11.8 (*Credit Facility Agreements*), and other sections of this Prospectus.
17. The Company has not issued debt instruments, nor does it have approved and unissued debt instruments, term loans, secured, non-secured, current or approved but not issued property mortgages. Furthermore, the Company does not have loans secured by personal guarantee or loans secured or non-secured by mortgages.
18. Moreover, the Company has no subsidiaries as at the date of this Prospectus.

Basis of preparation

6.2.1 Statement of compliance

The financial statements of the Company for the years ended 31 December 2022G, 2023G, and 2024G have been prepared in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The condensed interim financial information has 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 issued by SOCPA.

6.2.2 Historical cost convention and going concern

The Financial Statements are prepared on the going concern basis under the historical cost convention except for employee benefit obligations as explained in the relevant accounting policy.

6.2.3 Material accounting policies

The material accounting policies used in the preparation of the Condensed Interim Financial Information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024G.

New and Amended Standards Adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period. The Company has adopted the following relevant amendments to IFRS which are effective for period beginning on and after 1 January 2025G, and have no impact on the Company:

Amendments to IAS 21 Lack of Exchangeability: In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

6.2.3.1 Standards and interpretations issued but not yet effective and not applied by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025G reporting periods and have not been early adopted by the Company. The standards, interpretations and amendments issued, but are not yet effective are disclosed below:

Table 6.1: Standards and interpretations issued but not yet effective and applied by the Company

Title	Key Requirements	Effective Date
IFRS 18 - Presentation and Disclosure in Financial Statements	In April 2024, the IASB Issued a new International Financial Reporting Standard to Improve Reporting of Financial Performance.	1 January 2027G
IFRS 19 - Subsidiaries Without Public Accountability: Disclosures	IFRS 19 was issued in May 2024 and specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027G
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	The amendment clarifies the requirements for the timing of recognition and de-recognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. It also clarifies and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion, and adds new disclosures for certain instruments with contractual terms that can change cash flows and makes updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income	1 January 2026G

The Company has not early adopted the above amendments and the Company's management is currently assessing the impact of these amendments.

6.3 Summary of material accounting policies

The material accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024G. These policies have been consistently applied to all the years presented, unless otherwise stated.

6.3.1 Revenue

The Company recognizes revenue from contracts with clients based on a five-step model as set out in IFRS 15:

Step 1	Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2	Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3	Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4	Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5	Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company perform; or
- The entity performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods.

Contracts revenues

Revenue from fixed price contracts is recognised based on the percentage of completion method, which is determined using the proportion of costs incurred to date to the total costs for the completion of the contracts as estimated by the management. No profit is recognised on contract until the management believes the outcome of that contract can be assessed with reasonable certainty. In case of loss-making contract, full provision is made for estimated future losses. The contract assets are included under current assets, net of provision for any losses incurred or foreseen in bringing contracts to completion, advances against work executed and progress billing received and receivable. Where progress amounts received and receivable exceed the value of work executed the excess is included under current liabilities as contract liabilities.

The Company's contracts with its customers contain distinct goods and services but these are not distinct in the context of the contract and are therefore combined into a single performance obligation. At contract inception the Company considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- It provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted;
- one or more of the goods or services significantly modifies or customizes, or are significantly modified or customized by, one or more of the other goods or services promised in the contract; or
- the goods or services are highly interdependent or highly interrelated.
- Contract modifications, e.g. variation orders, are accounted for as part of the existing contract, with a cumulative catch-up adjustment to revenue. For material contract modifications a separate contract may be recognised, based on management's assessment of the following factors:
- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.
- Variable considerations (e.g. variation orders) are assessed/re-assessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

6.3.2 Contract balances

a. Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligations by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

When the Company satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance.

b. Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

c. Contract liabilities and advances from customers

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Advances from customers represents amounts received from the customers at the start of the contracts. Such advances are applied to progress bills issued in a manner as mentioned in the contracts.

d. Retention receivable

Retention receivable represents a portion of billings retained by the customers as per contractual terms and these are recoverable either upon completion of certain milestones or at the end of the contractual term.

6.3.3 Foreign currencies

a. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates the ("functional currency"). The financial statements are presented in "Saudi Riyal", which is also the Company's functional currency.

b. Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

6.3.4 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Zakat for the Company is calculated based on higher of approximate zakat base and adjusted profit charged to the profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

6.3.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss. Major spare parts qualify for recognition as property and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

6.3.6 Leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. The Company recognises a right-of-use asset ("RoU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing;
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Right-of-use-assets (“RoU”)

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 “Provisions, contingent liabilities and contingent assets”. The costs are included in the related RoU asset unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If the lessor transfers the ownership of the underlying asset to the lessee or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 “Impairment of Assets” to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the RoU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

6.3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value. Intangible assets under development are stated at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis, over the estimated useful lives of 4 years.

6.3.8 Financial instruments

6.3.8.1 Financial asset

a. Classification

The Company's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

b. Recognition and derecognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c. Measurement

Subsequent measurement of Company's financial assets are at amortised cost. Interest income from financial assets is measured and included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

6.3.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

6.3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or Cash-Generating Units ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

6.3.10 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For contract receivables and contract assets, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Company's contract receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product for the Kingdom of Saudi Arabia, inflation rate and governmental expenditure as the most relevant factors, and accordingly, adjusts the loss rates based on such expected changes.

Contract receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due for contract receivables and contract assets.

The Company calculates expected credit loss for financial assets other than contract assets and contract receivables using general approach as per IFRS9.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

6.3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6.3.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

6.3.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

6.3.14 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

6.3.15 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the Labour Law which is based on the most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the Projected Unit Credit Method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in the profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labour Law.

6.3.16 Dividend distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

6.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS that are endorsed in the kingdom of Saudi Arabia requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

6.4.1 Estimates related to contract costs

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

A 1% increase in estimated contract costs would result in a decrease in contract margin of Saudi Riyals 47.5 million, while a 1% decrease in estimated contract costs would result in an increase in contract margin of Saudi Riyals 29.8 million.

6.4.2 ECL allowance

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, probability of default, exposure at default, and loss given default, as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

6.4.3 Stage of completion and use of subcontractors

In some contracts that represent a single performance obligation with revenue recognised over time, the Company engages subcontractors to manufacture significant components off-site. In cases where the Company is significantly involved in the design of these components and closely oversees the manufacturing process of the supplier, the progress of the subcontractor may advance the Company's stage of completion of its performance obligation to its customer. Revenue and costs are recognised by the Company as the subcontractor performs its work provided that (i) the components do not meet the definition of uninstalled materials, and (ii) that the contract with the subcontractor results in the subcontractor being deemed to transfer control of its performance obligation to the Company over time under IFRS 15.

6.5 Company Overview

The Company's business is split into two key segments:

- **Construction Work:** The Company conducts design, supply and construction projects related to infrastructure in water, transportation and urban development segments (for more details on construction work segments, please see Section 4.7.1.1 "*Construction Works Segments*").
- **Operations and Maintenance Work:** Mainly includes maintenance work related to infrastructure in the water and transportation segments (for more detail on operations and maintenance work, please see Section 4.7.2.1 "*Operation and Maintenance Works Segments*").

The Company's business model is based on the provision of integrated and specialized services to infrastructure projects, and bespoke solutions to its customers through various stages including design, supply, construction and operation and maintenance of projects according to contract scope.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

6.6 Key factors affecting the results of operations

The following section is a discussion of the most significant factors that have affected, or are expected to affect, the Company's financial position and results of operations. These factors are based on information currently available to the Company and may not represent all factors that could affect the Company's business.

6.6.1 Competition

With the increase of competition in the water, sewage and road construction and maintenance segments, the Company's performance is mainly dependent on its ability to compete and win projects from major and key clients. The average contract period with key clients ranges between one to three years renewed, during government tenders.

6.6.2 Alignment of segment growth and scalability

The 2030 Vision, National Transformation Program and National Water Strategy 2030G set a clear objective to achieve sustainable water supplies as part of the Government's strategy to support economic diversity and develop public service segments. The 2030G Vision and Strategy allow for significant growth opportunities in the water and sewage segment. As such, the Company's ability to keep pace with this segment's growth relies mainly on the sustainability of its business and expansion by attracting clients, winning new projects, develop and expand the scope of the Company's offerings to its clients, provision of equipment and machinery required to execute projects and its ability to win projects of a different and novel geography.

6.6.3 Work completion and cost estimation

One of the Company's main success factors is its ability to complete its work and estimate the costs necessary for each project. Work completion relies on several factors including the Company's ability to complete its work and projects according to determined standards and specifications, the ability of its employees to complete project requirements in addition to its ability to provide the material required for project completion within the set time frame. While the Company's ability to estimate costs rest upon its knowledge and experience of expected cost of resources needed to execute projects based on market inputs and historic experience.

6.6.4 Reliance on Key clients

The Company's success, as at other water and sewage service companies, relies mainly on the continuity of work with government clients as the current structure of the water and sewage market comprises mainly government institutes and companies and partnerships between the public and private sectors. Revenues from contracts with governmental and quasi-government entities constituted the largest portion of the Company's total contract revenues for the financial years ended 31 December 2022G, 2023G, and 2024G, and the six-month period ended 30 June 2025G.

6.7 Key Performance Indicators

The following table sets out the Company's key performance indicators as at and for the financial years ended 31 December 2022G, 2023G and 2024G and for the six-month periods ended 30 June 2024G and 2025G (as applicable):

Table 6.2: Key Performance Indicators

Key Performance Indicators	%	As at and for the financial year ended 31 December 2022G	As at and for the financial year ended 31 December 2023G	As at and for the financial year ended 31 December 2024G	As at and for the six-month period ended 30 June 2024G	As at and for the six-month period ended 30 June 2025G
Gross profit margin ⁽¹⁾	%	30.2%	46.0%	42.6%	52.1%	32.5%
Operating profit margin ⁽²⁾	%	28.0%	46.5%	39.4%	50.0%	30.5%
Net profit margin ⁽³⁾	%	26.7%	45.1%	37.4%	48.4%	28.1%
Return on equity ⁽⁴⁾	%	64.3%	80.9%	45.6%	N/A	30.1% (*)

Key Performance Indicators	%	As at and for the financial year ended 31 December 2022G	As at and for the financial year ended 31 December 2023G	As at and for the financial year ended 31 December 2024G	As at and for the six-month period ended 30 June 2024G	As at and for the six-month period ended 30 June 2025G
Return on assets ⁽⁵⁾	%	31.9%	62.3%	35.8%	N/A	23.5% (*)
Current assets/ current liabilities	x	1.8	4.2	4.6	4.5	4.5
Liabilities to assets ratio	%	50.4%	23.0%	21.4%	22.0%	21.8%
Liabilities/ equity	x	1.0	0.3	0.3	0.3	0.3

Source: Management information.

(1) Gross profit margin = Gross profit / contracts revenue

(2) Operating profit margin = operating profit / contracts revenue

(3) Net profit margin = Profit for the year or period / contracts revenue

(4) Return on Equity = Profit for the last twelve months ("LTM") / total equity

(5) (1) Return on Assets = Profit for the last twelve months / total assets

(*) Each of the Return on Assets and Return on Equity measures for the six-month period ended 30 June 2025G were calculated using LTM profit, which consists of the annualized profit for the period from 1 July 2024G to 30 June 2025G, divided by total equity and total assets, respectively.

6.8 Results of Operations - Statement of profit or loss and other comprehensive income

The following table presents the statement of profit or loss and other comprehensive income for the financial years ended 31 December 2022G, 2023G and 2024G, and for each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.3: Statement of profit or loss and other comprehensive income

SARm	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)				
Contracts revenue	2,286.4	3,300.3	3,237.5	1,552.6	1,495.9	44.3%	(1.9%)	(3.7%)	19.0%
Contracts cost	(1,595.4)	(1,782.8)	(1,858.3)	(744.1)	(1,009.2)	11.7%	4.2%	35.6%	(7.9%)
Gross profit	691.0	1,517.5	1,379.2	808.5	486.7	119.6%	(9.1%)	(39.8%)	41.3%
General and administrative expenses	(42.0)	(61.5)	(65.2)	(38.6)	(45.2)	46.4%	6.0%	17.1%	(24.6%)
(Charge) reversal of impairment of financial assets	(11.4)	73.4	(46.7)	6.2	13.6	(743.9%)	(163.6%)	119.4%	(102.4%)
Other operating income	3.2	6.7	9.6	0.7	1.4	109.4%	43.3%	100.0%	73.2%
Operating profit	640.8	1,536.1	1,276.9	776.7	456.5	139.7%	(16.9%)	(41.2%)	41.2%
Finance costs	(0.9)	(1.7)	(1.9)	(0.8)	(1.0)	88.9%	11.8%	25.0%	(45.3%)
Finance income	-	-	4.7	2.9	0.8	N/A	N/A	(72.4%)	N/A
Profit before Zakat	640.0	1,534.4	1,279.8	778.8	456.3	139.8%	(16.6%)	(41.4%)	41.4%
Zakat expense	(29.0)	(46.2)	(70.3)	(27.8)	(36.4)	59.3%	52.2%	30.9%	(55.7%)

SARm	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)				
Profit for the year / period	611.0	1,488.2	1,209.4	751.0	419.8	143.6%	(18.7%)	(44.1%)	40.7%
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Gain on remeasurement of employee benefit obligations	2.9	0.5	2.2	0.3	1.2	(82.8%)	340.0%	300.0%	(12.9%)
Total comprehensive income for the year / period	613.9	1,488.7	1,211.7	751.3	421.0	142.5%	(18.6%)	(44.0%)	40.5%
Earnings per share ^(*)									
Basic and diluted	2.05	1.86	1.51	0.94	0.53	(9.3%)	(18.8%)	(43.6%)	(14.2%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information

(*) The number of ordinary shares has been restated retrospectively to reflect the change in the number of shares issued as a result of the effect of the bonus issue and shares split, in accordance with the requirements of IAS (33). Since this represents a change in the number of shares without a corresponding change in resources, the weighted average number of ordinary shares outstanding has been adjusted retrospectively for the financial years ended 31 December 2022G and 2023G, which were derived from the comparative figures of the financial statements for 2023G and the financial statements for 2024G, respectively.

Contracts revenue

The Company recorded growth in contracts revenue, increasing by 44.3% or SAR 1,013.9 million, from SAR 2,286.4 million for the financial year ended 31 December 2022G to SAR 3,300.3 million for the financial year ended 31 December 2023G. This was influenced by the completion of work on a number of existing projects, in addition to the Company winning a number of new projects (30 projects with a total value of SAR 2.7 billion). Two projects from customer (1) accounted for 86.6% of the total new contracts.

Contracts revenue decreased by 1.9% or SAR 62.8 million, from SAR 3,300.3 million for the financial year ended 31 December 2023G to SAR 3,237.5 million for the financial year ended 31 December 2024G. This was mainly due to the completion of several key projects, which led to a decrease in contracts revenue, such as the Maghmas Reservoir Transfer Systems project, where the completion rate reached 97% as at 31 December 2023G. This decrease was partially offset by an increase in contracts revenue from two projects from customer (1), in addition to contracts revenue from new projects awarded to the Company.

Contracts revenue decreased by 3.7% or SAR 56.7 million, from SAR 1,552.6 million for the six-month period ended 30 June 2024G to SAR 1,495.9 million for the six-month period ended 30 June 2025G. This was mainly attributable to the completion of several major projects, which led to a decrease in contracts revenue, partially offset by an increase in contracts revenue from two projects, in addition to revenue from two new projects awarded to the Company and six work orders issued in relation to on-going projects for the six-month period ended 30 June 2025G.

Contracts cost

Contracts cost increased by 11.7% or SAR 187.4 million, from SAR 1,595.4 million for the financial year ended 31 December 2022G to SAR 1,782.8 million for the financial year ended 31 December 2023G, driven mainly by an increase in subcontractors costs, salaries, wages, and benefits, and rent short term leases.

The contracts cost continued to increase by 4.2% or SAR 75.5 million, from SAR 1,782.8 million for the financial year ended 31 December 2023G to SAR 1,858.3 million for the financial year ended 31 December 2024G. This was primarily due to an increase in material consumed, subcontractors costs, salaries, wages, and benefits.

The contracts cost increased by 35.6% or SAR 265.1 million, from SAR 744.1 million for the six-month period ended 30 June 2024G to SAR 1,009.2 million for the six-month period ended 30 June 2025G. This was mainly due to an increase in material consumed, subcontractors costs, salaries, wages, and benefits.

It is noteworthy that subcontractors and material consumed costs together constituted 81.9%, 76.7%, and 79.7% of the contracts cost for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. They also collectively accounted for 77.4% and 73.1% of the contracts cost for the six-month periods ended 30 June 2024G and 2025G, respectively.

Gross profit

The movement in gross profit was consistent with the movement in contracts revenue between the financial years ended 31 December 2022G and 2023G, where gross profit increased by 119.6% or SAR 826.5 million for the financial year ended 31 December 2022G to reach SAR 1,517.5 million for the financial year ended 31 December 2023G. The higher growth in contracts revenue compared to the growth in the contracts cost between the financial years ended 31 December 2022G and 2023G contributed to a notable increase in the gross profit margin, which reached 30.2% and 46.0%, respectively.

Gross profit decreased by 9.1% or SAR 138.3 million, from SAR 1,517.5 million for the financial year ended 31 December 2023G to SAR 1,379.2 million for the financial year ended 31 December 2024G. This was driven by a decrease in contracts revenue and an increase in the contracts cost during this period, with the Company recording a gross profit margin of 46.0% and 42.6%, respectively.

Gross profit decreased by 39.8% or SAR 321.8 million, from SAR 808.5 million for the six-month period ended 30 June 2024G to SAR 486.7 million for the six-month period ended 30 June 2025G. This was driven by a decrease in contracts revenue and an increase in the contracts cost during this period, with the Company recording a gross profit margin of 52.1% and 32.5%, respectively.

General and administrative expenses

General and administrative expenses recorded an increase of 46.4% or SAR 19.5 million, from SAR 42.0 million for the financial year ended 31 December 2022G to SAR 61.5 million for the financial year ended 31 December 2023G, affected by an increase in consultation and professional fees, and fines and government fees.

General and administrative expenses increased by 6.0% or SAR 3.7 million, from SAR 61.5 million for the financial year ended 31 December 2023G to SAR 65.2 million for the financial year ended 31 December 2024G. This was mainly due to an increase in salaries, wages, and benefits, and fines and government fees.

General and administrative expenses increased by 17.1% or SAR 6.6 million, from SAR 38.6 million for the six-month period ended 30 June 2024G to SAR 45.2 million for the six-month period ended 30 June 2025G. This was primarily due to an increase in salaries, wages, and benefits, in addition to the inclusion of initial public offering expenses incurred by the Company related to the period.

(Charge) reversal of impairment of financial assets

The line item for (charge) reversal of impairment of financial assets relates to the application of IFRS to record expected credit losses on contract receivables and contract assets. A reversal of impairment loss on financial assets was recorded in 2023G amounting to SAR 73.4 million due to an improvement in the collection process of contract receivables in that year, compared to the Company incurring a charge of impairment loss on financial assets amounting to SAR 11.4 million for the financial year ended 31 December 2022G.

The Company incurred a charge of impairment loss on financial assets amounting to SAR 46.7 million for the financial year ended 31 December 2024G. This resulted from an increase in the balance of contract receivables from SAR 758.1 million as at 31 December 2023G to SAR 998.7 million as at 31 December 2024G.

The Company recorded a reversal of impairment loss on financial assets of SAR 6.2 million for the six-month period ended 30 June 2024G and SAR 13.6 million for the six-month period ended 30 June 2025G, resulting from an improvement in the collection process of contract receivables during these two periods.

Other operating income

Other operating income increased by 109.4% or SAR 3.5 million, from SAR 3.2 million for the financial year ended 31 December 2022G to SAR 6.7 million for the financial year ended 31 December 2023G. That was mainly due to the sale of residual materials after the completion of a project in Jubail.

Other operating income increased by 43.3% or SAR 2.9 million, from SAR 6.7 million for the financial year ended 31 December 2023G to SAR 9.6 million for the financial year ended 31 December 2024G. This was due to the sale of residual materials after the completion of a project for the financial year ended 31 December 2024G.

Other operating income increased by 100.0% or SAR 0.7 million, from SAR 0.7 million for the six-month period ended 30 June 2024G to SAR 1.4 million for the six-month period ended 30 June 2025G, resulting from the sale of residual materials after the completion of one of the projects for the six-month period ended 30 June 2025G.

Operating profit

Operating profit increased from SAR 640.8 million for the financial year ended 31 December 2022G to SAR 1,536.1 million for the financial year ended 31 December 2023G. This increase was primarily driven by the increase in contracts revenue, in addition to the Company securing several new projects with high profit margins for the financial year ended 31 December 2023G.

Operating profit decreased by 16.9% or SAR 259.2 million, from SAR 1,536.1 million for the financial year ended 31 December 2023G to SAR 1,276.9 million for the financial year ended 31 December 2024G. This resulted from the decrease in gross profit by SAR 138.3 million, the increase in general and administrative expenses by SAR 3.7 million for the financial year ended 31 December 2024G, and the Company recording an impairment loss charge of SAR 46.7 million for the financial year ended 31 December 2024G compared to a reversal of impairment loss of SAR 73.4 million for the financial year ended 31 December 2023G.

Operating profit decreased by 41.2% or SAR 320.2 million, from SAR 776.7 million for the six-month period ended 30 June 2024G to SAR 456.5 million for the six-month period ended 30 June 2025G, resulting from the decrease in gross profit by SAR 321.8 million.

The operating profit margin increased from 28.0% for the financial year ended 31 December 2022G to 46.5% for the financial year ended 31 December 2023G, due to the increase in contracts revenue, the increase in gross profit margin, and the realization of a reversal of impairment loss on financial assets amounting to SAR 73.4 million.

The operating profit margin decreased from 46.5% for the financial year ended 31 December 2023G to 39.4% for the financial year ended 31 December 2024G, due to the decrease in the gross profit margin from 46.0% for the financial year ended 31 December 2023G to 42.6% for the financial year ended 31 December 2024G, and the impairment loss charge of SAR 46.7 million.

The operating profit margin decreased from 50.0% for the six-month period ended 30 June 2024G to 30.5% for the six-month period ended 30 June 2025G, due to the decrease in the gross profit margin from 52.1% for the six-month period ended 30 June 2024G to 32.5% for the six-month period ended 30 June 2025G.

Finance costs

The finance costs incurred by the Company relate to employee benefit obligations and lease liabilities. Finance costs increased from SAR 0.9 million for the financial year ended 31 December 2022G to SAR 1.7 million for the financial year ended 31 December 2023G, and subsequently to SAR 1.9 million for the financial year ended 31 December 2024G, driven mainly by an increase in the number of employees.

Finance costs increased by 25.0% or SAR 0.2 million, from SAR 0.8 million for the six-month period ended 30 June 2024G to SAR 1.0 million for the six-month period ended 30 June 2025G, driven primarily by an increase in the number of employees.

Finance income

Finance income represents returns on bank investments in deposits at call. The Company opened three investment accounts in different banks and deposited SAR 117.5 million for the financial year ended 31 December 2024G. These deposits have original maturity period of less than three months and carry market rate of interest.

Finance income amounted to SAR 4.7 million for the financial year ended 31 December 2024G.

Finance income decreased by 72.4% or SAR 2.1 million, from SAR 2.9 million for the six-month period ended 30 June 2024G to SAR 0.8 million for the six-month period ended 30 June 2025G, due to a decrease in the balance of deposits at call.

Zakat expense

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of period/year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

The Company filed its zakat returns and obtained zakat certificates for all years up to 2024G. The Company has obtained its final assessments for all years up to 2018G. On 28 April 2024G, the Company has obtained its final assessment from the Zakat, Tax and Customs Authority (ZATCA) with an additional assessment of SAR 3.5 million which has been paid on 29 May 2024G. The Company has not received any assessments for the years from 2019G to 2024G. It is worth noting that the year 2019G may be considered final as it falls outside the five (5) year statute of limitations period from the due date for filing the Zakat declaration.

Zakat expense increased from SAR 29.0 million for the financial year ended 31 December 2022G to SAR 46.2 million for the financial year ended 31 December 2023G. This resulted from the increase in total equity from SAR 950.7 million as at 31 December 2022G to SAR 1,839.4 million as at 31 December 2023G, as the Company's capital was increased from SAR 1.0 million as at 31 December 2022G to SAR 300 million as at 31 December 2023G.

Zakat expense increased from SAR 46.2 million for the financial year ended 31 December 2023G to SAR 70.3 million for the financial year ended 31 December 2024G. This was due to the increase in total equity from SAR 1,839.4 million as at 31 December 2023G to SAR 2,651.1 million as at 31 December 2024G, as the Company's capital was increased from SAR 300 million as at 31 December 2023G to SAR 800 million as at 31 December 2024G, divided into 800 million shares with a nominal value of one Saudi Riyal per share, through the capitalization of SAR 500 million from the retained earnings account. The legal procedures related to this capital increase were completed during the year ended 31 December 2024G.

Zakat expense increased from SAR 27.8 million for the six-month period ended 30 June 2024G to SAR 36.4 million for the six-month period ended 30 June 2025G. This resulted from the increase in total equity from SAR 2,390.7 million as at 30 June 2024G to SAR 2,922.2 million as at 30 June 2025G.

Profit for the year / period

Profit for the year reported an increase of 143.6% or SAR 877.2 million, from SAR 611.0 million for the financial year ended 31 December 2022G to SAR 1,488.2 million for the financial year ended 31 December 2023G, driven by the increase in operating profit.

Profit for the year decreased by 18.7% or SAR 278.8 million, from SAR 1,488.2 million for the financial year ended 31 December 2023G to SAR 1,209.4 million for the financial year ended 31 December 2024G, driven by the decrease in operating profit of SAR 259.2 million.

Profit for the period decreased by 44.1% or SAR 331.2 million, from SAR 751.0 million for the six-month period ended 30 June 2024G to SAR 419.8 million for the six-month period ended 30 June 2025G, driven by the decrease in operating profit of SAR 320.3 million.

The net profit margin increased from 26.7% for the financial year ended 31 December 2022G to 45.1% for the financial year ended 31 December 2023G, consistent with the movement in the operating profit margin.

The net profit margin decreased from 45.1% for the financial year ended 31 December 2023G to 37.4% for the financial year ended 31 December 2024G, consistent with the movement in the operating profit margin.

The net profit margin decreased from 48.4% for the six-month period ended 30 June 2024G to 28.1% for the six-month period ended 30 June 2025G, due to several reasons, most notably: a decrease in the gross profit margin, an increase in general and administrative expenses, and an increase in Zakat expense.

6.8.1 Contracts revenue

The following table presents the details of contracts revenue by segment for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G.

Table 6.4: Contracts revenue by segment

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G- 2025G	2022G- 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Construction Works for Water Facilities									
Water transmission systems (pumps and pipes)	1,213.7	2,032.6	1,981.1	1,149.9	570.0	67.5%	(2.5%)	(50.4%)	27.8%
Strategic water reservoirs	78.6	18.3	-	-	-	(76.7%)	(100.0%)	N/A	N/A
Water treatment plant	12.3	6.4	-	-	-	(48.0%)	(100.0%)	N/A	N/A
Total	1,304.6	2,057.3	1,981.1	1,149.9	570.0	57.7%	(3.7%)	(50.4%)	23.2%
Construction Works for Environmental Facilities and Sewage Systems									
Transmission systems for Treated Sewage Effluent (TSE), main sewage lines, and wastewater networks.	759.8	856.2	336.5	75.7	414.7	12.7%	(60.7%)	447.8%	(33.5%)
Irrigation networks	-	54.2	127.3	51.4	27.8	N/A	134.9%	(45.9%)	N/A
Total	759.8	910.4	463.8	127.1	442.5	19.8%	(49.1%)	248.2%	(21.9%)
Construction Works for Transportation Facilities									
Roads	21.1	2.7	-	-	-	(87.2%)	(100.0%)	N/A	N/A
Road safety upgrades	5.5	-	114.2	4.4	122.9	(100.0%)	N/A	2693.2%	355.7%
Total	26.6	2.7	114.2	4.4	122.9	(89.8%)	4,129.6%	2,693.2%	107.2%
Construction Works for flood risk prevention									
Flood risk prevention and open channels	1.2	42.9	278.1	126.3	101.0	3,475.0%	548.3%	(20.0%)	1,422.3%
Total	1.2	42.9	278.1	126.3	101.0	3,475.0%	548.3%	(20.0%)	1,422.3%
Construction Works for Urban Development									
Infrastructure, urban development and sustainable development projects	4.9	4.5	-	-	-	(8.2%)	(100.0%)	N/A	N/A
Site development and layout (landscape) works, earthworks, and land leveling and paving (hardscape) works	43.8	16.8	-	-	-	(61.6%)	(100.0%)	N/A	N/A
Total	48.7	21.3	-	-	-	(56.3%)	(100.0%)	N/A	N/A
Operations and Maintenance Works for Water Facilities									
Operation and maintenance of water treatment plants, water tanks and water networks	57.9	32.2	3.4	1.7	3.2	(44.4%)	(89.4%)	88.2%	(75.8%)
Total	57.9	32.2	3.4	1.7	3.2	(44.4%)	(89.4%)	88.2%	(75.8%)
Operations and Maintenance Works for Transportation Facilities									
Operation and maintenance of roads and bridges	87.7	233.6	397.0	143.2	256.3	166.4%	69.9%	79.0%	112.8%
Total	87.7	233.6	397.0	143.2	256.3	166.4%	69.9%	79.0%	112.8%
Contracts revenue by segment	2,286.4	3,300.3	3,237.5	1,552.6	1,495.9	44.3%	(1.9%)	(3.7%)	19.0%

Source: Management information.

Construction Works for Water Facilities

The Company's main service offerings under this segment include water transportation system design, supply and constructions (pumps, pipes and valves), strategic water reservoirs and water treatment plant.

Revenue from this segment accounted for 57.1%, 62.3%, and 61.2% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. Revenue from this segment also constituted 74.1% and 38.1% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from this segment increased by 57.7% or SAR 752.7 million, reaching SAR 2,057.3 million for the financial year ended 31 December 2023G, due to an increase in water transfer systems contracts revenue. This is mainly attributable to:

- commencement of work on the waster transportation project from Al-Khobar to Al-Hufoof;
- commencement of work on a new project in Al Maghmas area;
- commencement of work on two new projects from customer (1).

Revenue from Construction Works for Water Facilities decreased by 3.7% or SAR 76.2 million, from SAR 2,057.3 million for the financial year ended 31 December 2023G to SAR 1,981.1 million for the financial year ended 31 December 2024G. This was due to the completion of several water transfer systems projects, such as those in Al-Maghmas, North Jeddah, and Yanbu, with new projects entering execution late in the year.

Revenue from strategic water reservoir projects decreased by 76.7% from SAR 78.6 million for the financial year ended 31 December 2022G to SAR 18.3 million for the financial year ended 31 December 2023G. This was the result of the completion of a number of ongoing projects with no material new projects commencing.

Revenue from strategic water reservoirs decreased by 100% or SAR 18.3 million for the financial year ended 31 December 2024G due to the completion of ongoing projects with no new projects commencing.

Revenue from water treatment plant decreased by 100% or SAR 6.4 million for the financial year ended 31 December 2024G due to the completion of a project in Buraidah with no new projects commencing.

Revenue from this segment decreased by 50.4% or SAR 579.9 million, from SAR 1,149.9 million for the six-month period ended 30 June 2024G to SAR 570.0 million for the six-month period ended 30 June 2025G. This resulted from a decrease in water transfer systems contracts revenue, primarily due to the completion of several water transfer systems projects.

Construction Works for Environmental Facilities and Sewage Systems

Revenue from Construction Works for Environmental Facilities and Sewage Systems increased by 19.8% or SAR 150.6 million, from SAR 759.8 million for the financial year ended 31 December 2022G to SAR 910.4 million for the financial year ended 31 December 2023G. This was attributable to:

- Treated sewage effluent transfer systems, sewage main lines, and sewage networks – The increase in revenue is attributable to the substantial completion of work on Wa'ad Al Shamal project and on three projects in the Buraidah, Madinah, and Tabuk regions;
- Irrigation networks – The Company recorded irrigation network contracts revenue for the first time for the financial year ended 31 December 2023G amounting to SAR 54.2 million. This was due to the Company winning a new project in the Riyadh region with a total value of SAR 211.0 million.

Revenue from Construction Works for Environmental Facilities and Sewage Systems decreased by 49.1% or SAR 446.6 million, from SAR 910.4 million for the financial year ended 31 December 2023G to SAR 463.8 million for the financial year ended 31 December 2024G, due to:

- Treated sewage effluent transfer systems, sewage main lines, and sewage networks – Revenue decreased by 60.7% or SAR 519.7 million, from SAR 856.2 million for the financial year ended 31 December 2023G to SAR 336.5 million for the financial year ended 31 December 2024G. This decline is mainly attributable to the completion of a project in the Yanbu region and Wa'ad Al Shamal project, partially offset by:
- Irrigation networks – Revenue increased by 134.9% or SAR 73.1 million, from SAR 54.2 million for the financial year ended 31 December 2023G to SAR 127.3 million for the financial year ended 31 December 2024G, resulting from the substantial completion of work on the Riyadh region project.

Revenue from Construction Works for Environmental Facilities and Sewage Systems increased by 248.2% or SAR 315.4 million, from SAR 127.1 million for the six-month period ended 30 June 2024G to SAR 442.5 million for the six-month period ended 30 June 2025G, driven mainly by the commencement of work on three projects for the six-month period ended 30 June 2025G.

Construction Works for Transportation Facilities

The Company's main service offerings under this segment include road design, supply and construction work, feasibility studies, traffic analysis, design and development of plans and specifications for road projects taking into consideration factors such as the landscape, traffic volume, safety standards and environmental impact. Revenue from this segment accounted for 1.2%, 0.1%, and 3.5% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. Revenue from this segment also constituted 0.3% and 8.2% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from the Construction Works for Transportation Facilities decreased by 89.8% or SAR 23.9 million, from SAR 26.6 million for the financial year ended 31 December 2022G to SAR 2.7 million for the financial year ended 31 December 2023G. This was attributable to the completion of most of the ongoing projects for the financial year ended 31 December 2022G with no new material projects commencing.

Revenue from Construction Works for Transportation Facilities increased by 4,129.6% or SAR 111.5 million, from SAR 2.7 million for the financial year ended 31 December 2023G to SAR 114.2 million for the financial year ended 31 December 2024G. This was due to the commencement of work on a new project for the maintenance and quality improvement of the road network and traffic safety in North Riyadh for the financial year ended 31 December 2024G.

Revenue from Construction Works for Transportation Facilities increased from SAR 4.4 million for the six-month period ended 30 June 2024G to SAR 122.9 million for the six-month period ended 30 June 2025G. This was due to an increase in the percentage of completion on a project in Riyadh from 0.5% as at 30 June 2024G to 25.3% as at 30 June 2025G.

Construction Works for Protection Against Floods

The Company's main service offering in this segment include the design, supply and construction of flood protection networks. Revenue from this segment accounted for 0.1%, 1.3%, and 8.6% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. Revenue from this segment also constituted 8.1% and 6.8% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from Construction Works for flood risk prevention increased by 3,475.0% or SAR 41.7 million, from SAR 1.2 million for the financial year ended 31 December 2022G to SAR 42.9 million for the financial year ended 31 December 2023G, driven by the commencement of work on the flood drainage project in Wadi Al-Sulai, Riyadh.

Revenue from Construction Works for flood risk prevention increased by 548.3% or SAR 235.2 million, from SAR 42.9 million for the financial year ended 31 December 2023G to SAR 278.1 million for the financial year ended 31 December 2024G. This was due to the work executed on the flood drainage project in Wadi Al-Sulai, Riyadh, which recorded a completion rate of approximately 67.5% for the financial year ended 31 December 2024G, compared to approximately 9.3% for the financial year ended 31 December 2023G.

Revenue from Construction Works for flood risk prevention decreased by 20.0% or SAR 25.3 million, from SAR 126.3 million for the six-month period ended 30 June 2024G to SAR 101.0 million for the six-month period ended 30 June 2025G. This was due to the completion of the third phase of the flood drainage project in Wadi Al-Sulai, Riyadh, during the period.

Construction Works for Urban Development

The Company's main service offerings in this segment include design, supply and construction: (1) Landscape development including site preparation, facilities infrastructure, landscaping; (2) Architectural environment, urban development enhancement and sustainability, which includes building design and engineering, integration of energy, water resource preservation and renewable energy sources. Revenue from this segment accounted for 2.1%, 0.6%, and 0.0% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. The Company generated no revenue from Construction Works for Urban Development for the financial year ended 31 December 2024G and for the six-month period ended 30 June 2025G.

Revenue from Construction Works for Urban Development decreased by 56.3% or SAR 27.4 million, from SAR 48.7 million for the financial year ended 31 December 2022G to SAR 21.3 million for the financial year ended 31 December 2023G. This was due to the completion of most ongoing projects for the financial year ended 31 December 2022G with no new projects commencing.

Revenue from Construction Works for Urban Development decreased by 100% or SAR 21.3 million, reaching zero for the financial year ended 31 December 2024G. This was mainly due to the completion of the renovation and improvement project for the Al-Batha land port and the first phase development project of the industrial city in Taif for the financial year ended 31 December 2023G, with no new projects commencing for the financial year ended 31 December 2024G.

There were no ongoing projects for the six-month periods ended 30 June 2024G and 2025G.

Operations and Maintenance Works for Water Facilities

The Company's main service offerings within this segment include maintenance work related to infrastructure in the water and transportation sections (water treatment plant, water tanks and water networks). Revenue from this segment accounted for 2.5%, 1.0%, and 0.1% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. Revenue from this segment also constituted 0.1% and 0.2% of contract revenue for the six-month periods ended 30 June 2024G and 2025G, respectively. Revenue from the Operations and Maintenance Works for Water Facilities decreased by 44.4% or SAR 25.7 million, from SAR 57.9 million for the financial year ended 31 December 2022G to SAR 32.2 million for the financial year ended 31 December 2023G. This was due to the completion of most ongoing projects for the financial year ended 31 December 2022G and the lack of new project acquisitions.

Revenue from the Operations and Maintenance Works for Water Facilities decreased by 89.4% or SAR 28.8 million, from SAR 32.2 million for the financial year ended 31 December 2023G to SAR 3.4 million for the financial year ended 31 December 2024G. This was due to the completion of most ongoing projects during that year and the lack of new project acquisitions.

Revenue from the Operations and Maintenance Works for Water Facilities increased by 88.2% or SAR 1.5 million, from SAR 1.7 million for the six-month period ended 30 June 2024G to SAR 3.2 million for the six-month period ended 30 June 2025G.

Operations and Maintenance Works for Transportation Facilities

The main services provided by the Company under this segment include the maintenance of roads and bridges. Revenue from this segment accounted for 3.8%, 7.1%, and 12.3% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. Revenue from this segment also constituted 9.2% and 17.1% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from the Operations and Maintenance Works for Transportation Facilities increased by 166.4% or SAR 145.9 million, from SAR 87.7 million for the financial year ended 31 December 2022G to SAR 233.6 million for the financial year ended 31 December 2023G. This was due to an increase in projects, as the Company secured 27 projects with a value of SAR 130.7 million for the financial year ended 31 December 2023G.

Revenue from the Operations and Maintenance Works for Transportation Facilities increased by 69.9% or SAR 163.4 million, from SAR 233.6 million for the financial year ended 31 December 2023G to SAR 397.0 million for the financial year ended 31 December 2024G. This was due to an increase in the number of projects, as the Company secured 39 new projects with revenue amounting to SAR 211.6 million for the financial year ended 31 December 2024G.

Revenue from the Operations and Maintenance Works for Transportation Facilities increased by 79.0% or SAR 113.1 million, from SAR 143.2 million for the six-month period ended 30 June 2024G to SAR 256.3 million for the six-month period ended 30 June 2025G. This was a result of the Company securing 6 new projects for the six-month period ended 30 June 2025G, most notably road maintenance projects in Arafat, in addition to higher completion rates for ongoing projects.

Additionally, revenue from this segment included sales of unused construction materials, which amounted to SAR 18.9 million for the financial year ended 31 December 2023G, SAR 34.9 million for the financial year ended 31 December 2024G, SAR 22.6 million for the six-month period ended 30 June 2024G, and SAR 34.0 million for the six-month period ended 30 June 2025G.

The following table presents the details of contracts revenue by customer for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G.

Table 6.5: Contracts revenue by customer

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Customer (1)	-	852.8	1,319.3	848.6	107.3	N/A	54.7%	(87.4%)	N/A
Saudi Water Authority	1,240.7	1,036.3	436.9	249.9	109.6	(16.5%)	(57.8%)	(56.1%)	(40.7%)
Ministry of Transport and Logistic Services	113.7	214.7	362.1	120.7	222.3	88.5%	68.7%	84.2%	78.4%
Riyadh Royal Commission	-	54.2	181.2	51.4	115.4	N/A	234.3%	124.5%	N/A
National Water Company	306.8	387.3	247.1	64.7	136.0	26.3%	(36.2%)	110.2%	(10.3%)
Customer (4)	35.0	79.6	69.5	19.3	32.7	127.4%	(12.7%)	69.4%	40.9%
Customer (6)	35.3	57.0	33.0	16.2	6.5	61.5%	(42.1%)	(59.9%)	(3.3%)
Riyadh Region Municipality	1.2	42.9	392.2	130.7	223.9	3475.0%	814.2%	71.3%	1707.9%
Customer (5)	66.9	133.0	25.7	9.1	4.9	98.8%	(80.7%)	(46.2%)	(38.0%)
Customer (3)	437.5	399.7	19.8	19.5	-	(8.6%)	(95.0%)	(100.0%)	(78.7%)
Al Haer Environmental Services Company	-	-	71.9	-	265.3	N/A	N/A	N/A	N/A
Customer (2)	-	-	43.8	-	66.0	N/A	N/A	N/A	N/A
Stream Water Transmission Company	-	-	-	-	172.0	N/A	N/A	N/A	N/A
Other customers	49.3	42.9	34.9	22.6	34.0	(13.0%)	(18.6%)	50.4%	(15.9%)
Contracts revenue	2,286.4	3,300.3	3,237.5	1,552.6	1,495.9	44.3%	(1.9%)	(3.7%)	19.0%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The four largest customers by contracts revenue for the financial year ended 31 December 2024G are Customer (1), Saudi Water Authority (SWA), Ministry of Transport and Logistic Services, and Riyadh Region Municipality. Contracts revenue from these customers accounted for 59.3%, 65.0%, and 77.5% of the total contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively.

The four largest customers by contracts revenue in the six-month period ended 30 June 2025G are Al Haer Environmental Services Company, Riyadh Region Municipality, Ministry of Transport and Logistic Services, and Stream Water Transmission Company. Contracts revenue from these customers accounted for 16.2% and 59.1% of the total contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Customer (1)

A number of large projects were won with Customer (1) in 2023G, with two contracts signed for the design, procurement, and construction of water transfer systems in the Kingdom with a total estimated value of SAR 2.3 billion. These projects were at 38.0% completion for the financial year ended 31 December 2023G. Revenue from Customer (1) accounted for 25.8% of the total contracts revenue for the financial year ended 31 December 2023G.

Revenue from Customer (1) increased by 54.7% or SAR 466.5 million, from SAR 852.8 million for the financial year ended 31 December 2023G to SAR 1,319.3 million for the financial year ended 31 December 2024G, driven by an increase in the completion rate of these projects from approximately 38% for the financial year ended 31 December 2023G to 94% for the financial year ended 31 December 2024G.

Revenue from Customer (1) decreased by 87.4% or SAR 741.3 million, from SAR 848.6 million for the six-month period ended 30 June 2024G to SAR 107.3 million for the six-month period ended 30 June 2025G. This was due to approaching completion of these projects, with the completion rate reaching approximately 98% as at 30 June 2025G.

Saudi Water Authority

Revenue from Saudi Water Authority accounted for 54.3%, 31.4%, and 13.5% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. It also accounted for 16.1% and 7.3% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from Saudi Water Authority decreased by 16.5% or SAR 204.4 million, from SAR 1,240.7 million for the financial year ended 31 December 2022G to SAR 1,036.3 million for the financial year ended 31 December 2023G. This was due to the near completion of Al-Maghmas Reservoir Transfer Systems project, where the completion rate increased from approximately 75% for the financial year ended 31 December 2022G to 97% for the financial year 2023G.

Revenue from Saudi Water Authority decreased by 57.8% or SAR 599.4 million, from SAR 1,036.3 million for the financial year ended 31 December 2023G to SAR 436.9 million for the financial year ended 31 December 2024G, due to the completion of Al-Maghmas Reservoir Transfer Systems project.

Revenue from Saudi Water Authority decreased by 56.1% or SAR 140.3 million, from SAR 249.9 million for the six-month period ended 30 June 2024G to SAR 109.6 million for the six-month period ended 30 June 2025G, due to the completion of Al Khobar - Al-Hofuf Water Transfer System project.

Ministry of Transport and Logistic Services

Revenue from the Ministry of Transport and Logistic Services accounted for 5.0%, 6.5%, and 11.2% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. It also accounted for 7.8% and 14.9% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue increased by 88.5% or SAR 100.8 million, from SAR 113.9 million for the financial year ended 31 December 2022G to SAR 214.7 million for the financial year ended 31 December 2023G, driven by the execution of several work orders for road maintenance projects in Madinah, Makkah, Taif, and Al-Baha.

Revenue from the Ministry of Transport and Logistic Services increased by 68.7% or SAR 147.4 million, from SAR 214.7 million for the financial year ended 31 December 2023G to SAR 362.1 million for the financial year ended 31 December 2024G. This was due to the Company securing 39 new maintenance projects during this year, mainly comprising road maintenance work orders in Madinah and Makkah.

Revenue from the Ministry of Transport and Logistic Services increased by 84.2% or SAR 101.6 million, from SAR 120.7 million for the six-month period ended 30 June 2024G to SAR 222.3 million for the six-month period ended 30 June 2025G, driven primarily by the execution of several work orders for road maintenance projects in Madinah, Makkah, Buraidah, Sharee, and Ha'il.

Riyadh Region Municipality

Revenue from the Riyadh Region Municipality increased by 814.2% or SAR 349.3 million, from SAR 42.9 million for the financial year ended 31 December 2023G to SAR 392.2 million for the financial year ended 31 December 2024G. This was mainly driven by the increased execution rate of Wadi Al-Sulai Flood Drainage Project in Riyadh, which reached 67.5% for the financial year ended 31 December 2024G compared to 9.3% for the financial year ended 31 December 2023G.

Revenue from the Riyadh Region Municipality increased by 71.3% or SAR 93.2 million, from SAR 130.7 million for the six-month period ended 30 June 2024G to SAR 223.9 million for the six-month period ended 30 June 2025G. This was primarily driven by the increased execution rate of the project for maintenance and quality improvement of the road network and traffic safety in Riyadh - North Pole, which rose from 0.5% as at 30 June 2024G to 25.3% as at 30 June 2025G.

Customer (3)

Revenue from Customer (3) accounted for 19.1%, 12.1%, and 0.6% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. It also accounted for 1.3% and zero of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively.

Revenue from Customer (3) decreased by 8.6%, from SAR 437.5 million for the financial year ended 31 December 2022G to SAR 399.7 million for the financial year ended 31 December 2023G. This was due to the near completion of the Private Water Facilities Works project in Yanbu.

Revenue continued to decrease by 95.0%, from SAR 399.7 million for the financial year ended 31 December 2023G to reach SAR 19.8 million for the financial year ended 31 December 2024G. This was due to the completion of the Private Water Facilities Works project in Yanbu with no new projects commencing.

Revenue from Customer (3) decreased by 100%, from SAR 19.5 million for the six-month period ended 30 June 2024G to zero for the six-month period ended 30 June 2025G. This was due to the completion of the Private Water Facilities Works project in Yanbu with no new projects commencing.

National Water Company

Revenue from the National Water Company accounted for 13.4%, 11.7%, and 7.6% of contracts revenue for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. It also accounted for 4.2% and 9.1% of contracts revenue for the six-month periods ended 30 June 2024G and 2025G, respectively. Contracts with the National Water Company are for both design, procurement, and construction services and operation and maintenance services.

Revenue from the National Water Company recorded an increase of 26.3% or SAR 80.7 million, from SAR 306.6 million for the financial year ended 31 December 2022G to SAR 387.3 million for the financial year ended 31 December 2023G, due to the progress achieved in the project for the design and construction of water lines from the Northern Reservoir to Khadim Al-Haramain Sharifain Road, and the first phase of the transmission lines between Arar and Sakaka.

Revenue decreased by 36.2% or SAR 140.2 million, from SAR 387.3 million for the financial year ended 31 December 2023G to SAR 247.1 million for the financial year ended 31 December 2024G. This was due to the completion of a number of projects during this period, most notably the project for the construction of the treated sewage reuse system in Buraidah, the project for the design and implementation of supply support for Arafat water networks, and the first phase of the transmission lines between Arar and Sakaka.

Revenue from the National Water Company increased by 110.2% or SAR 71.3 million, from SAR 64.7 million for the six-month period ended 30 June 2024G to SAR 136.0 million for the six-month period ended 30 June 2025G. This was primarily driven by the commencement of work on two major projects: the project for the completion of the water pumping system for centers and villages in the Al-Qassim region and the project for the implementation of efficiency and capacity upgrading of Al-Masha'er - Al-Muaissim Reservoir for the six-month period ended 30 June 2025G.

Al Haer Environmental Services Company

The Al Haer Independent Sewage Treatment Plant project was won with Al Haer Environmental Services Company during 2024G with an estimated value of SAR 623 million. Approximately 12% of the work on this project was completed during the second half of the financial year ended 31 December 2024G, and the completion rate subsequently increased to 51% as at 30 June 2025G. Consequently, revenue from Al Haer Environmental Services Company increased from zero for the six-month period ended 30 June 2024G to SAR 265.3 million for the six-month period ended 30 June 2025G. Revenue from Al Haer Environmental Services Company accounted for 2.2% of contracts revenue for the financial year ended 31 December 2024G and 17.7% of contracts revenue for the six-month period ended 30 June 2025G.

Stream Water Transmission Company

The Jubail - Buraidah Independent Water Transmission Pipeline project was won with Stream Water Transmission Company for the six-month period ended 30 June 2025G with a total estimated value of SAR 6.6 billion. Approximately 3% of the work on this project was completed for the six-month period ended 30 June 2025G. Revenue from Stream Water Transmission Company accounted for 11.5% of contracts revenue for the six-month period ended 30 June 2025G.

6.8.2 Contracts cost

The following table presents the details of the contracts cost for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G.

Table 6.6: Contracts cost

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G- 2024G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)				
Contracts cost									
Material consumed and subcontractors	1,307.0	1,367.6	1,480.2	576.3	738.0	4.6%	8.2%	28.1%	6.4%
Salaries, wages and benefits	103.6	160.2	180.7	79.4	82.8	54.6%	12.8%	4.3%	32.1%
Fines and government fees	33.9	42.7	55.2	15.3	22.0	26.0%	29.3%	43.8%	27.6%
Research, laboratories and engineering plans	43.3	68.6	3.7	1.0	1.2	58.4%	(94.6%)	20.0%	(70.8%)
Depreciation of property and equipment	19.2	20.7	22.1	22.4	14.1	7.8%	6.8%	(37.1%)	7.3%
Fuel	15.4	19.8	26.3	11.6	18.8	28.6%	32.8%	62.1%	30.7%
Repair and maintenance	7.6	7.4	6.4	0.4	3.7	(2.6%)	(13.5%)	825.0%	(8.2%)
Rent short-term leases	10.5	41.1	36.0	8.8	19.0	291.4%	(12.4%)	115.9%	85.2%
Transportation	37.4	34.3	20.5	13.8	16.2	(8.3%)	(40.2%)	17.4%	(26.0%)
Utilities	2.4	3.7	3.5	5.6	6.4	54.2%	(5.4%)	14.3%	20.8%
Bank charges	9.7	7.0	9.1	1.2	26.5	(27.8%)	30.0%	2,108.3%	(3.1%)
Insurance	2.2	3.6	5.2	0.4	3.4	63.6%	44.4%	750.0%	53.7%
Consultation and professional fees	-	0.2	4.4	0.7	53.6	N/A	2,100.0%	7,557.1%	N/A
Depreciation of right-of-use-assets	1.8	2.0	1.1	0.6	0.6	11.1%	(45.0%)	0.0%	(21.8%)
Stationery	-	-	-	-	0.2	N/A	N/A	N/A	N/A
Amortization of intangible assets	-	-	-	0.2	0.0	N/A	N/A	N/A	N/A
Others	1.2	3.9	3.9	6.5	2.7	225.0%	0.0%	(58.5%)	80.3%
Contracts cost	1,595.4	1,782.8	1,858.3	744.1	1,009.2	11.7%	4.2%	35.6%	7.9%

Source: Audited Financial Statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, Unaudited Condensed Interim Financial Information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Material consumed and subcontractors

The following table presents the details of material consumed and subcontractors for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G.

Table 6.7: Material consumed and subcontractors

SARm	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G- 2025G	2022G- 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Material consumed and subcontractors									
Plumbing and sanitary materials	346.9	517.1	572.0	222.7	273.3	49.1%	10.6%	22.7%	28.4%
Civil Works	221.9	347.1	425.6	165.7	224.1	56.4%	22.6%	35.2%	38.5%
Fabrication works for Steel fixing, carpentry, plumbing and networks	55.0	138.8	115.6	45.0	57.6	152.4%	(16.7%)	28.0%	45.0%
Raw materials	541.2	135.3	237.6	92.5	118.5	(75.0%)	75.6%	28.1%	(33.7%)
Site preparation	58.5	95.7	66.0	25.7	32.9	63.6%	(31.0%)	28.0%	6.2%
Spare parts, tools and materials	41.7	80.0	17.4	6.8	8.7	91.8%	(78.3%)	27.9%	(35.4%)
Electrical and mechanical works	40.6	30.6	32.8	12.8	16.4	(24.6%)	7.2%	28.1%	(10.1%)
Others	1.1	23.1	13.2	5.1	6.6	2000.0%	(42.9%)	29.4%	246.4%
Material consumed and subcontractors	1,307.0	1,367.6	1,480.2	576.3	738.0	4.6%	8.2%	28.1%	6.4%

Source: Management information.

Material consumed and subcontractors accounted for 81.9%, 76.7%, and 79.7% of the contracts cost for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. They also accounted for 77.4% and 73.1% of the contracts cost for the six-month periods ended 30 June 2024G and 2025G, respectively.

Key activities subcontracted were pipe insulation and padding, drilling and filling works. Materials acquired for projects include pipes, pumps, tasks, asphalt, ready materials and other raw materials.

Material consumed and subcontractors' increased by 4.6%, from SAR 1,307.0 million for the financial year ended 31 December 2022G to SAR 1,367.6 million for the financial year ended 31 December 2023G. This increase is attributed to an increase in the number of completed projects (specifically in Al Maghmas area for the financial year ended 31 December 2022G and two projects from Customer (1) for the financial year ended 31 December 2023G). The Company works with a varied group of suppliers and subcontractors selected according to customer preference and project locations.

Material consumed and subcontractors as a percentage of contracts revenue decreased from 57.2% for the financial year ended 31 December 2022G to 41.4% for the financial year ended 31 December 2023G, mainly driven by winning high-margin projects for the financial year ended 31 December 2023G.

Material consumed and subcontractors' increased by 8.2% or SAR 112.5 million, from SAR 1,367.6 million for the financial year ended 31 December 2023G to SAR 1,480.2 million for the financial year ended 31 December 2024G. This is mainly due to the increase in expenses for materials consumed and civil works to meet project requirements, especially those related to the Construction Works for Water Facilities.

Material consumed and subcontractors' expenses increased by 28.1% or SAR 161.7 million, from SAR 576.3 million for the six-month period ended 30 June 2024G to SAR 738.0 million for the six-month period ended 30 June 2025G. This is primarily due to the increase in subcontractor expenses resulting from the higher volume of outsourced work to meet project requirements, especially those acquired for the six-month period ended 30 June 2025G.

Salaries, wages and benefits

The following table presents the details of salaries, wages, and benefits for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.8: Salaries, wages and benefits

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G- 2025G	2022G- 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Salaries, wages and benefits									
Salaries	58.9	87.2	112.9	49.6	49.7	48.0%	29.5%	0.2%	38.4%
Remunerations	9.3	18.4	9.5	4.2	6.6	97.8%	(48.4%)	57.1%	1.1%
Tickets and leave allowances	12.2	9.0	14.5	6.4	1.9	(26.2%)	61.1%	(70.3%)	9.0%
Cash benefits	-	4.2	2.6	1.2	0.8	N/A	(38.1%)	(33.3%)	N/A
Overtime	13.6	21.5	24.1	10.6	14.8	58.1%	12.1%	39.6%	33.1%
Transport and accommodation allowances	-	0.6	1.0	0.4	1.3	N/A	66.7%	225.0%	N/A
Medical insurance	-	6.9	0.3	0.1	0.1	N/A	(95.7%)	0.0%	N/A
End of service benefits	6.1	7.1	4.7	2.0	2.8	16.4%	(33.8%)	40.0%	(12.2%)
Accommodation allowance	0.1	0.1	2.3	1.0	4.8	0.0%	2,200.0%	380.0%	379.6%
Social insurance	-	5.4	8.9	3.9	-	N/A	64.8%	(100.0%)	N/A
Research, technology, development and innovation	3.5	-	-	-	-	(100.0%)	N/A	N/A	N/A
Salaries, wages and benefits	103.6	160.2	180.7	79.4	82.8	54.6%	12.8%	4.3%	32.1%

Source: Audited Financial Statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, Unaudited Condensed Interim Financial Information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Salaries, wages, and benefits classified within the contracts cost are the expenses for employees responsible for the management and execution of the Company's projects, comprising supervisors, engineers, drivers, and staff.

Salaries, wages, and benefits increased by 54.6% or SAR 56.6 million, from SAR 103.6 million for the financial year ended 31 December 2022G to SAR 160.2 million for the financial year ended 31 December 2023G. This increase is mainly attributable to:

- increase in salaries by 48.0% between 2022G and 2023G, reaching SAR 87.2 million for the financial year ended 31 December 2023G, primarily due to a 44.0% increase in the number of operational employees;
- increase in remunerations by 97.8% between 2022G and 2023G, reaching SAR 18.4 million for the financial year ended 31 December 2023G, driven by the Company's positive financial performance;
- increase in overtime salary expenses from SAR 13.6 million for the financial year ended 31 December 2022G to SAR 21.5 million for the financial year ended 31 December 2023G, influenced by increased overtime to complete work on the water transmission project in Al-Maghmas and Yanbu regions;
- increase in the following expenses for the financial year ended 31 December 2023G: Medical Insurance SAR 6.9 million and Social Insurance SAR 5.4 million. It should be noted that if the salaries, wages, and benefits

expenses included in the contracts cost were combined with those included in general and administrative expenses, the total value of medical insurance and social insurance would increase from SAR 5.0 million for the financial year ended 31 December 2022G to SAR 13.3 million for the financial year ended 31 December 2023G. This is mainly driven by the increase in the number of employees from 2,267 employees in the financial year ended 31 December 2022G to 3,254 employees in the financial year ended 31 December 2023G.

Salaries, wages, and benefits increased by 12.8% or SAR 20.5 million, from SAR 160.2 million for the financial year ended 31 December 2023G to SAR 180.7 million for the financial year ended 31 December 2024G. This is mainly attributable to:

- increase in salaries by 29.5% or SAR 25.7 million, from SAR 87.2 million for the financial year ended 31 December 2023G to SAR 112.9 million for the financial year ended 31 December 2024G. This is due to the increase in the number of operational employees from 2,469 in 2023G to 3,530 in 2024G. This rise in salaries, wages, and benefits was partially offset by a decrease in remunerations of SAR 8.9 million for the financial year ended 31 December 2024G.

There was no material change in salaries, wages, and benefits, as they increased by 4.3% or SAR 3.4 million, from SAR 79.4 million for the six-month period ended 30 June 2024G to SAR 82.8 million for the six-month period ended 30 June 2025G.

Fines and government fees

The following table presents the details of Fines and Government Fees for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.9: Fines and government fees

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Fines and government fees									
Government fees, follow-up charges, and processing – operation	17.1	28.0	40.8	11.3	16.7	63.7%	45.7%	47.8%	54.5%
Fines, violations and compensations - operation	10.9	4.5	7.8	2.2	3.3	(58.7%)	73.3%	45.5%	(15.4%)
Supervision and Monitoring costs - operation	-	0.1	-	-	-	N/A	(100.0%)	N/A	N/A
Traffic violations - operation	-	0.1	0.1	-	0.1	N/A	0.0%	N/A	N/A
Customs - operation	6.0	10.1	6.5	1.8	2.0	68.3%	(35.6%)	11.1%	4.1%
Fines and government fees	33.9	42.7	55.2	15.3	22.0	26.0%	29.3%	43.8%	27.6%

Source: Audited Financial Statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, Unaudited Condensed Interim Financial Information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Fines and government fees increased by 26.0% or SAR 8.8 million, from SAR 33.9 million for the financial year ended 31 December 2022G to SAR 42.7 million for the financial year ended 31 December 2023G. This resulted from an increase in government fees and follow-up charges, and processing of SAR 10.9 million during the year, driven by the increase in the number of employees, in addition to an increase in customs duties of SAR 4.1 million due to higher customs duties for Al-Khobar to Al-Hofuf Water Transmission System project, rising from SAR 100 thousand for the financial year ended 31 December 2022G to SAR 5.0 million for the financial year ended 31 December 2023G.

Fines and government fees increased by 29.3% or SAR 12.5 million, from SAR 42.7 million for the financial year ended 31 December 2023G to SAR 55.2 million for the financial year ended 31 December 2024G. This is mainly attributable to an increase in government fees and follow-up charges, and processing by 45.7% or SAR 12.8 million, from SAR 28.0 million for the financial year ended 31 December 2023G to SAR 40.8 million for the financial year ended 31 December 2024G, primarily due to the increase in the number of employees.

Fines and government fees increased by 43.8% or SAR 6.7 million, from SAR 15.3 million for the six-month period ended 30 June 2024G to SAR 22.0 million for the six-month period ended 30 June 2025G. This is mainly attributable to an increase in government fees and follow-up charges, and processing by 47.8% or SAR 5.4 million, from SAR 11.3 million for the six-month period ended 30 June 2024G to SAR 16.7 million for the six-month period ended 30 June 2025G, primarily due to the increase in the number of employees.

Research, Laboratories and Engineering Plans

Expenses for research, laboratories, and engineering plans increased by 58.4% or SAR 25.3 million, from SAR 43.3 million for the financial year ended 31 December 2022G to SAR 68.6 million for the financial year ended 31 December 2023G. This resulted from the Company winning and executing a number of large projects, such as the design, procurement, and construction works for the water transmission network in Al-Hofuf, Yanbu, and Al-Maghmas regions, in addition to projects from Customer (1).

Expenses for research, laboratories, and engineering plans decreased by 94.6% or SAR 64.9 million, from SAR 68.6 million for the financial year ended 31 December 2023G to SAR 3.7 million for the financial year ended 31 December 2024G. This is mainly due to the absence of new projects requiring research and engineering plans for the financial year ended 31 December 2024G, as these expenses increased for the financial year ended 31 December 2023G due to the preparation for projects from Customer (1) and Al-Khobar- Al-Hofuf water connection project.

Expenses for research, laboratories, and engineering plans increased by 20.0% or SAR 0.2 million, from SAR 1.0 million for the six-month period ended 30 June 2024G to SAR 1.2 million for the six-month period ended 30 June 2025G.

Depreciation of Property and Equipment

Depreciation of property and equipment were related to the depreciation of heavy machinery, trucks, and transport vehicles used during project execution. Depreciation of property and equipment expenses increased by 7.8% or SAR 1.5 million, from SAR 19.2 million for the financial year ended 31 December 2022G to SAR 20.7 million for the financial year ended 31 December 2023G. This was due to the purchase of 195 and 263 vehicles in 2022G and 2023G, respectively.

The increase in depreciation of property and equipment continued by 6.8% or SAR 1.4 million, from SAR 20.7 million for the financial year ended 31 December 2023G to SAR 22.1 million for the financial year ended 31 December 2024G, due to additions to vehicles, equipment, and machinery during the year.

Depreciation of property and equipment decreased by 37.1% or SAR 8.3 million, from SAR 22.4 million for the six-month period ended 30 June 2024G to SAR 14.1 million for the six-month period ended 30 June 2025G. This is mainly due to the end of the useful life of a number of fixed assets and the disposal of some assets from service, leading to a decrease in recorded depreciation expense.

The following table presents the details of the contracts cost by segment for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G.

Table 6.10: Contracts cost by segment

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				

Construction works for water facilities

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Water transmission systems (pumps and pipes)	826.4	1,040.2	1,044.7	488.1	398.1	25.9%	0.4%	(18.4%)	12.4%
Strategic water reservoirs	55.0	26.5	-	-	-	(51.8%)	(100.0%)	N/A	N/A
Water treatment plants	9.1	2.7	-	-	-	(70.3%)	(100.0%)	N/A	N/A
Total	890.5	1,069.4	1,044.7	488.1	398.1	20.1%	(2.3%)	(18.4%)	8.3%
Construction Works for Environmental Facilities and Sewage Systems									
Transportation systems for treated sewage water, main pipelines for sewage water and sewage water networks	556.4	473.2	221.4	54.5	273.0	(15.0%)	(53.2%)	400.9%	(36.9%)
Irrigation networks	-	26.9	63.1	25.5	13.2	N/A	134.6%	(48.2%)	N/A
Total	556.4	500.1	284.5	80.0	286.2	(10.1%)	(43.1%)	257.8%	(28.5%)
Construction Works for Transportation Facilities									
Roads	20.8	0.3	-	-	-	(98.6%)	(100.0%)	N/A	N/A
Road safety development projects	4.3	-	77.4	3.1	83.3	(100.0%)	N/A	2,587.1%	324.3%
Total	25.1	0.3	77.4	3.1	83.3	(98.8%)	25,700.0%	2,587.1%	75.6%
Construction Works for flood risk prevention									
Flood mitigation	0.6	29.9	188.6	85.2	68.8	4,883.3%	530.8%	(19.2%)	1,672.9%
Total	0.6	29.9	188.6	85.2	68.8	4,883.3%	530.8%	(19.2%)	1,672.9%
Construction Works for Urban Development									
Infrastructure, urban development and sustainable development projects	0.2	2.4	-	-	-	1,100.0%	(100.0%)	N/A	N/A
Site development and layout (landscape) works, earthworks, and land leveling and paving (hardscape) works	34.3	3.4	-	-	-	(90.1%)	(100.0%)	N/A	N/A
Total	34.5	5.8	-	-	-	(83.2%)	(100.0%)	N/A	N/A
Operations and Maintenance Works for Water Facilities									
Operation and maintenance of water treatment plants, water tanks and water networks	28.3	13.8	1.2	1.3	1.8	(51.2%)	(91.3%)	38.5%	(79.4%)
Total	28.3	13.8	1.2	1.3	1.8	(51.2%)	(91.3%)	38.5%	(79.4%)
Operations and Maintenance Works for Transportation Facilities									
Operation and maintenance of roads and bridges	60.0	163.6	261.7	86.3	171.0	172.7%	60.0%	98.1%	108.8%
Total	60.0	163.6	261.7	86.3	171.0	172.7%	60.0%	98.1%	108.8%
Contracts cost by segment	1,595.4	1,782.8	1,858.3	744.1	1,009.2	11.7%	4.2%	35.6%	7.9%

Source: Management information.

Construction Works for Water Facilities

The contracts cost in this segment increased between the financial years 2022G and 2023G, rising by 20.1% or SAR 178.9 million, from SAR 890.5 million for the financial year ended 31 December 2022G to SAR 1,069.4 million for the financial year ended 31 December 2023G. This was due to an increase in the cost of water transmission systems contracts of SAR 213.8 million during the period, driven by the increase in revenue.

The contracts cost in this segment decreased by 2.3% or SAR 24.7 million, from SAR 1,069.4 million for the financial year ended 31 December 2023G to SAR 1,044.7 million for the financial year ended 31 December 2024G, mainly driven by the slight decrease in revenue from Construction Works for Water Facilities.

The contracts cost in this segment decreased by 18.4% or SAR 90.0 million, from SAR 488.1 million for the six-month period ended 30 June 2024G to SAR 398.1 million for the six-month period ended 30 June 2025G, mainly driven by the decrease in revenue from Construction Works for Water Facilities.

Construction Works for Environmental Facilities and Sewage Systems

The contracts cost from this segment decreased by 10.1% or SAR 56.3 million, from SAR 556.4 million for the financial year ended 31 December 2022G to SAR 500.1 million for the financial year ended 31 December 2023G, driven by the completion of works on a project in Yanbu.

The contracts cost for the Construction Works for Environmental Facilities and Sewage Systems decreased by 43.1% or SAR 215.6 million, from SAR 500.1 million for the financial year ended 31 December 2023G to SAR 284.5 million for the financial year ended 31 December 2024G. This is mainly due to the high percentage of completion of the main projects in this segment, which were approaching completion as at 31 December 2024G.

The contracts cost from this segment increased by 257.8% or SAR 206.2 million, from SAR 80.0 million for the six-month period ended 30 June 2024G to SAR 286.2 million for the six-month period ended 30 June 2025G, primarily driven by the commencement of work on three projects: Al Haer Independent Sewage Treatment Plant project and the two Treated Water Network projects for the Green Riyadh project for the six-month period ended 30 June 2025G.

Construction Works for Transportation Facilities

The contracts cost from Construction Works for Transportation Facilities decreased by 98.8% or SAR 24.8 million, from SAR 25.1 million for the financial year ended 31 December 2022G to SAR 0.3 million for the financial year ended 31 December 2023G, consistent with the decrease in revenue from these projects.

The contracts cost from Construction Works for Transportation Facilities increased by SAR 77.1 million, from SAR 0.3 million for the financial year ended 31 December 2023G to SAR 77.4 million for the financial year ended 31 December 2024G. This was a result of the increase in the contracts cost from the Road Safety Development Projects Segment, rising from zero for the financial year ended 31 December 2023G to SAR 77.4 million for the financial year ended 31 December 2024G, due to the Company securing the project for maintenance and quality improvement of the road network and traffic safety in Riyadh - North Pole.

The contracts cost from this segment increased by SAR 80.2 million, from SAR 3.1 million for the six-month period ended 30 June 2024G to SAR 83.3 million for the six-month period ended 30 June 2025G. This was due to the increase in the percentage of completion of the project for maintenance and quality improvement of the road network and traffic safety in Riyadh - North Pole, from 0.5% for the six-month period ended 30 June 2024G to 25.3% for the six-month period ended 30 June 2025G.

Construction Works for Protection Against Floods

The contracts cost from this segment increased by SAR 29.3 million, from SAR 0.6 million for the financial year ended 31 December 2022G to SAR 29.9 million for the financial year ended 31 December 2023G, consistent with the movement in contracts revenue for these projects.

The contracts cost from this segment continued to increase by 530.8% or SAR 158.7 million, from SAR 29.9 million for the financial year ended 31 December 2023G to SAR 188.6 million for the financial year ended 31 December 2024G. This was due to the 67.5% completion of the third phase of Wadi Al-Sulai Flood Drainage Project in Riyadh for the financial year ended 31 December 2024G.

The contracts cost from this segment decreased by 19.2% or SAR 16.4 million, from SAR 85.2 million for the six-month period ended 30 June 2024G to SAR 68.8 million for the six-month period ended 30 June 2025G. This was due to the completion of works on the third phase of Wadi Al-Sulai Flood Drainage Project in Riyadh during the period.

Construction Works for Urban Development

The contracts cost from Construction Works for Urban Development decreased by 83.2% or SAR 28.7 million, from SAR 34.5 million for the financial year ended 31 December 2022G to SAR 5.8 million for the financial year ended 31 December 2023G. This was due to the completion of works on the first phase development project of the industrial city in Taif.

The contracts cost from Construction Works for Urban Development decreased by 100% or SAR 5.8 million for the

financial year ended 31 December 2024G. This is mainly due to the completion of the renovation and improvement project for the Al-Batha land port and the first phase development project of the industrial city in Taif for the financial year ended 31 December 2023G, in addition to the absence of new projects for the financial year ended 31 December 2024G.

There were no ongoing projects for the six-month periods ended 30 June 2024G and 2025G.

Operations and Maintenance Works for Water Facilities

The cost of operations and maintenance contracts decreased by 51.2% or SAR 14.5 million, from SAR 28.3 million for the financial year ended 31 December 2022G to SAR 13.8 million for the financial year ended 31 December 2023G, consistent with the decrease in water facilities operations and maintenance contracts revenue due to the completion of a number of these contracts, most notably the operations and maintenance project for Zamzam water distribution and the design and implementation of supply support for Arafat water networks.

The cost of operations and maintenance contracts decreased by 91.3% or SAR 12.6 million, from SAR 13.8 million for the financial year ended 31 December 2023G to SAR 1.2 million for the financial year ended 31 December 2024G. This is mainly due to the substantial completion of ongoing projects in prior periods.

The cost of operations and maintenance contracts increased by 38.5% or SAR 0.5 million, from SAR 1.3 million for the six-month period ended 30 June 2024G to SAR 1.8 million for the six-month period ended 30 June 2025G.

Operations and Maintenance Works for Transportation Facilities

The cost of transportation facilities operations and maintenance contracts increased by 172.7% or SAR 103.6 million, from SAR 60.0 million for the financial year ended 31 December 2022G to SAR 163.6 million for the financial year ended 31 December 2023G, consistent with the increase in transportation facilities operations and maintenance contracts revenue due to the Company acquiring a number of new projects, most notably road maintenance projects in Ha'il, Madinah, Makkah, and Taif.

The cost of transportation facilities operations and maintenance contracts increased by 60.0% or SAR 98.1 million, from SAR 163.6 million for the financial year ended 31 December 2023G to SAR 261.7 million for the financial year ended 31 December 2024G. This resulted from the Company securing 39 new projects, most notably road maintenance projects in Ha'il, Madinah, and Makkah, in addition to the increased completion rates of ongoing projects.

The cost of transportation facilities operations and maintenance contracts increased by 98.1% or SAR 84.7 million, from SAR 86.3 million for the six-month period ended 30 June 2024G to SAR 171.0 million for the six-month period ended 30 June 2025G. This was due to the Company securing 6 new projects for the six-month period ended 30 June 2025G, most notably road maintenance projects in Arafat, in addition to the increased completion rates of ongoing projects.

6.8.3 Gross profit by segment

The following table presents the gross profit by segment for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.11: Gross profit by segment

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Construction Works for Water Facilities									
Water transmission systems (pumps and pipes)	387.3	992.4	936.4	661.7	172	156.2%	(5.6%)	(74.0%)	55.5%

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Strategic water reservoirs	23.6	(8.2)	-	-	-	(134.7%)	(100.0%)	N/A	N/A
Water treatment plants	3.2	3.7	-	-	-	15.6%	(100.0%)	N/A	N/A
Total	414.1	987.9	936.4	661.7	172	138.6%	(5.2%)	(74.0%)	50.4%
Construction Works for Environmental Facilities and Sewage Systems									
Transportation systems for treated sewage water, main pipelines for sewage water and sewage water networks	203.4	383.0	115.0	21.1	141.7	88.3%	(70.0%)	571.6%	(24.8%)
Irrigation networks	-	27.3	64.2	25.9	14.6	N/A	135.2%	(43.6%)	N/A
Total	203.4	410.3	179.2	47.0	156.3	101.7%	(56.3%)	232.6%	(6.1%)
Construction Works for Transportation Facilities									
Roads	0.3	2.4	-	-	-	700.0%	(100.0%)	N/A	N/A
Road safety development projects	1.2	-	36.7	1.3	39.5	(100.0%)	N/A	2,938.5%	453.0%
Total	1.5	2.4	36.7	1.3	39.5	60.0%	1429.2%	2,938.5%	394.6%
Construction Works for flood risk prevention									
Flood mitigation	0.6	13.0	89.4	41.1	32.2	2,066.7%	587.7%	(21.7%)	1,120.7%
Total	0.6	13.0	89.4	41.1	32.2	2,066.7%	587.7%	(21.7%)	1120.7%
Construction Works for Urban Development									
Infrastructure, urban development and sustainable development projects	4.7	2.1	-	-	-	(55.3%)	(100.0%)	N/A	N/A
Site development and layout (landscape) works, earthworks, and land leveling and paving (hardscape) works	9.5	13.4	-	-	-	41.1%	(100.0%)	N/A	N/A
Total	14.2	15.5	-	-	-	9.2%	(100.0%)	N/A	N/A
Operations and Maintenance Works for Water Facilities									
Operation and maintenance of water treatment plants, water tanks and water networks	29.5	18.3	2.1	0.4	1.4	(38.0%)	(88.5%)	250.0%	(73.3%)
Total	29.5	18.3	2.1	0.4	1.4	(38.0%)	(88.5%)	250.0%	(73.3%)
Operations and Maintenance Works for Transportation Facilities									
Operation and maintenance of roads and bridges	27.7	70.0	135.3	56.8	85.3	152.7%	93.3%	50.2%	121.0%
Total	27.7	70.0	135.3	56.8	85.3	152.7%	93.3%	50.2%	121.0%
Gross profit by segment	691.0	1,517.5	1,379.2	808.5	486.7	119.6%	(9.1%)	(39.8%)	41.3%

Source: Management Information

Table 6.12: Gross profit margin by segment

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June	
	2022G	2023G	2024G	2024G	2025G
	(Management)	(Management)	(Management)	(Management)	(Management)
Construction Works for Water Facilities					
Water transmission systems (pumps and pipes)	31.9%	48.8%	47.3%	57.5%	30.2%
Strategic water reservoirs	30.0%	(44.8%)	N/A	N/A	N/A
Water treatment plants	26.0%	57.8%	N/A	N/A	N/A
Total	31.7%	48.0%	47.3%	57.5%	30.2%
Construction Works for Environmental Facilities and Sewage Systems					
Transportation systems for treated sewage water, main pipelines for sewage water and sewage water networks	26.8%	44.7%	34.2%	27.9%	34.2%
Irrigation networks	NA	50.4%	50.4%	50.4%	52.5%
Total	26.8%	45.1%	38.6%	37.1%	35.3%
Construction Works for Transportation Facilities					
Roads	1.4%	88.9%	N/A	N/A	N/A
Road safety development projects	21.8%	N/A	32.1%	29.5%	32.1%
Total	5.6%	88.9%	32.1%	29.5%	32.1%
Construction Works for flood risk prevention					
Flood mitigation	50.0%	30.3%	32.1%	32.5%	31.9%
Total	50.0%	30.3%	32.1%	32.5%	31.9%
Construction Works for Urban Development					
Infrastructure, urban development and sustainable development projects	95.9%	46.7%	N/A	N/A	N/A
Site development and layout (landscape) works, earthworks, and land leveling and paving (hardscape) works	21.7%	79.8%	N/A	N/A	N/A
Total	29.2%	72.8%	N/A	N/A	N/A
Operations and Maintenance Works for Water Facilities					
Operation and maintenance of water treatment plants, water tanks and water networks	50.9%	56.8%	61.8%	23.5%	43.8%
Total	50.9%	56.8%	61.8%	23.5%	43.8%
Operations and Maintenance Works for Transportation Facilities					
Operation and maintenance of roads and bridges	31.6%	30.0%	34.1%	39.7%	33.3%
Total	31.6%	30.0%	34.1%	39.7%	33.3%
Gross profit margin by segment	30.2%	46.0%	42.6%	52.1%	32.5%

Source: Management information.

Construction Works for Water Facilities

The gross profit margin of this segment increased from 31.7% for the financial year ended 31 December 2022G to 48.0% for the financial year ended 31 December 2023G, which is mainly attributable to:

- the Company winning two relatively high-margin projects for the financial year ended 31 December 2023G;
- the Company's Cost Control Department conducting periodic reviews of the estimated costs of ongoing projects, their completion percentages, and the resulting contracts revenue, which were initially estimated at the commencement of these projects. This review led to an adjustment of initial estimates for a number of projects and affected the recognised completion percentages and contracts revenue, which contributed to the increase in the Company's gross profit margin for the financial year 2023G;
- this was offset by losses in the amount of SAR 8.2 million recorded for the financial year ended 31 December 2023G related to strategic water reservoir projects driven by the increase in the estimated cost of a water project driven by additional electrical work costs incurred by the Company. (It is worth noting that this project recorded a gross margin of 21.6% from its inception up to 31 December 2023G).

There was no material change in the gross profit margin in the Construction Works for Water Facilities for the financial year ended 31 December 2024G compared to the financial year ended 31 December 2023G.

The gross profit margin in the Construction Works for Water Facilities decreased from 57.5% for the six-month period ended 30 June 2024G to 30.2% for the six-month period ended 30 June 2025G, due to the Company acquiring projects with relatively lower profit margins compared to the ongoing projects for the six-month period ended 30 June 2024G.

Construction Works for Environmental Facilities and Sewage Systems

The gross profit margin in this segment increased from 26.8% for the financial year ended 31 December 2022G to 45.1% for the financial year ended 31 December 2023G, driven by the reduction in the estimated cost of Waad Al Shamal project as part of the periodic review of estimated costs by the Company's Cost Control Department.

The gross profit margin in this segment decreased from 45.1% for the financial year ended 31 December 2023G to 38.6% for the financial year ended 31 December 2024G. This is mainly attributable to the adjustment of estimated costs for a key project as part of the periodic review of estimated costs by the Company's Cost Control Department, in addition to the completion of works on the treated sewage reuse projects in Buraidah and Yanbu.

The gross profit margin in this segment slightly decreased from 37.1% for the six-month period ended 30 June 2024G to 35.3% for the six-month period ended 30 June 2025G.

Construction Works for Transportation Facilities

The gross profit margin in this segment increased from 5.6% for the financial year ended 31 December 2022G to 88.9% for the financial year ended 31 December 2023G. The reason is the adjustment of the completion percentage for a project in its final stages, which led to the recognition of the remaining contracts revenue.

The gross profit margin in this segment decreased from 88.9% for the financial year ended 31 December 2023G to 32.1% for the financial year ended 31 December 2024G due to the completion of high-margin projects.

The gross profit margin in this segment slightly increased from 29.5% for the six-month period ended 30 June 2024G to 32.1% for the six-month period ended 30 June 2025G.

Construction Works for Protection Against Floods

The gross profit margin in this segment decreased from 50.0% for the financial year ended 31 December 2022G to 30.3% for the financial year ended 31 December 2023G due to the completion of a high-margin project.

The gross profit margin in this segment increased from 30.3% for the financial year ended 31 December 2023G to 32.1% for the financial year ended 31 December 2024G, driven by the reduction of estimated costs for a key project in this segment, as part of the periodic review of estimated costs by the Company's Cost Control Department.

There was no material change in the gross profit margin in this segment for the six-month period ended 30 June 2025G compared to the six-month period ended 30 June 2024G.

Construction Works for Urban Development

The gross profit margin in this segment increased from 29.2% for the financial year ended 31 December 2022G to 72.8% for the financial year ended 31 December 2023G. This increase is attributable to the decrease in the estimated cost of projects, as part of the periodic review of estimated costs by the Company's Cost Control Department, which led to an increase in the recognised contracts revenue for the financial year ended 31 December 2023G.

The gross profit margin in this segment decreased from 72.8% for the financial year ended 31 December 2023G to zero for the financial year ended 31 December 2024G. This is due to the completion of ongoing projects with no new projects commencing.

There were no ongoing projects for the six-month periods ended 30 June 2024G and 2025G.

Operations and Maintenance Works for Water Facilities

The gross profit margin in this segment increased from 50.9% for the financial year ended 31 December 2022G to 56.8% for the financial year ended 31 December 2023G, as a result of the decrease in the estimated cost of projects, as part of the periodic review of estimated costs by the Company's Cost Control Department which led to an increase in the recognised contracts revenue for the financial year ended 31 December 2023G.

The gross profit margin in this segment increased from 56.8% for the financial year ended 31 December 2023G to 61.8% for the financial year ended 31 December 2024G. This is mainly due to the completion of projects that were achieving a relatively low profit margin for the financial year ended 31 December 2023G.

The gross profit margin in this segment increased from 23.5% for the six-month period ended 30 June 2024G to 43.8% for the six-month period ended 30 June 2025G. This is mainly due to the completion of projects that were achieving a relatively low profit margin for the six-month period ended 30 June 2024G.

Operations and Maintenance Works for Transportation Facilities

The gross profit margin in this segment decreased from 31.6% for the financial year ended 31 December 2022G to 30.0% for the financial year ended 31 December 2023G. This was due to the amendment of contracts in this segment from contracts that included construction, operation, and maintenance services to solely operations and maintenance contracts, whereby the profit margin for operation and maintenance work is relatively lower than that for execution work.

The gross profit margin in this segment increased from 30.0% for the financial year ended 31 December 2023G to 34.1% for the financial year ended 31 December 2024G, as a result of the Company acquiring projects with a relatively higher profit margin compared to the ongoing projects for the financial year ended 31 December 2023G.

The gross profit margin in this segment decreased from 39.7% for the six-month period ended 30 June 2024G to 33.3% for the six-month period ended 30 June 2025G, due to the Company acquiring projects with a relatively lower profit margin compared to the existing projects for the six-month period ended 30 June 2024G.

6.8.4 General and administrative expenses

The following table presents the details of general and administrative expenses for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.13: General and administrative expenses

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G - 2025G	2022G - 2024G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)				
General and administrative expenses									
Salaries, wages and benefits	22.0	25.3	34.0	23.5	32.7	15.0%	34.4%	39.1%	24.3%
Consultation and professional fees	4.1	14.4	8.3	5.3	6.2	251.2%	(42.4%)	17.0%	42.3%
Fines and government fees	5.5	7.9	8.8	4.6	3.1	43.6%	11.4%	(32.6%)	26.5%
Bank charges	1.2	1.2	2.3	0.9	0.8	0.0%	91.7%	(11.1%)	38.4%
Insurance	0.8	1.1	1.6	0.5	0.4	37.5%	45.5%	(20.0%)	41.4%
Rent short-term leases	1.2	1.7	2.0	0.8	0.3	41.7%	17.6%	(62.5%)	29.1%
Office supplies	0.3	0.5	0.6	0.1	0.2	66.7%	20.0%	100.0%	41.4%
Depreciation of property and equipment	0.9	1.0	1.2	0.1	0.1	11.1%	20.0%	0.0%	15.5%
Fuel	1.0	1.0	1.4	1.0	0.7	0.0%	40.0%	(30.0%)	18.3%
Utilities	0.2	0.9	0.5	0.2	0.3	350.0%	(44.4%)	50.0%	58.1%
Repair and maintenance	0.4	0.5	0.3	0.5	0.2	25.0%	(40.0%)	(60.0%)	(13.4%)
Transportation	0.1	0.1	-	-	-	0.0%	(100.0%)	N/A	N/A
Amortization of intangible assets	0.2	0.4	0.4	0.1	0.1	100.0%	0.0%	0.0%	41.4%
Others	4.2	5.4	3.6	1.0	0.1	28.6%	(33.3%)	(90.0%)	(7.4%)
General and administrative expenses	42.0	61.5	65.2	38.6	45.2	46.4%	6.0%	17.1%	24.6%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information

Salaries, wages, and benefits accounted for 52.4%, 41.1%, and 52.1% of general and administrative expenses for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively. They also accounted for 60.9% and 72.3% of general and administrative expenses for the six-month periods ended 30 June 2024G and 2025G, respectively.

The following table presents the details of salaries, wages, and benefits for the financial years ended 31 December 2022G, 2023G, and 2024G, and each of the six-month periods ended 30 June 2024G and 2025G:

Table 6.14: Salaries, wages and benefits

SAR Million	For the financial year ended 31 December			For the six-month period ended 30 June		Annual Variation			CAGR
	2022G	2023G	2024G	2024G	2025G	2022G - 2023G	2023G - 2024G	June 2024G- 2025G	2022G- 2024G
	(Management)	(Management)	(Management)	(Management)	(Management)				
Salaries, wages and benefits									
Salaries	15.6	12.2	19.1	13.2	17.4	(21.8%)	56.6%	31.8%	10.7%
Remunerations	0.6	2.0	6.4	1.7	3.1	233.3%	220.0%	82.4%	226.6%
Board remunerations	-	2.2	1.5	-	-	N/A	(31.8%)	N/A	N/A
Tickets and leave allowances	-	4.8	-	0.7	0.9	N/A	(100.0%)	28.6%	N/A
Cash benefits	-	0.4	-	-	-	N/A	(100.0%)	N/A	N/A
Overtime	0.9	1.4	1.7	0.7	1.0	55.6%	21.4%	42.9%	37.4%
Transport and accommodation allowances	-	1.3	-	-	3.0	N/A	(100.0%)	N/A	N/A
Medical Insurance	3.0	0.6	0.9	0.3	0.6	(80.0%)	50.0%	100.0%	(45.2%)
End of service benefits	-	-	3.2	3.5	1.5	N/A	N/A	(57.1%)	N/A
Social insurance	2.0	0.4	1.2	3.4	5.2	(80.0%)	200.0%	52.9%	(22.5%)
Salaries, wages and benefits	22.0	25.3	34.0	23.5	32.7	15.0%	34.4%	39.1%	24.3%

Source: Audited Financial Statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, and Management information.

Salaries, wages, and benefits expenses increased by 15.0% or SAR 3.3 million, from SAR 22.0 million for the financial year ended 31 December 2022G to SAR 25.3 million for the financial year ended 31 December 2023G. This increase is mainly attributed to:

- increase in remunerations by 233.3%, from SAR 0.6 million for the financial year ended 31 December 2022G to SAR 2.0 million for the financial year ended 31 December 2023G. The increase in remunerations during the period was linked to the Company's positive financial performance.;
- board remunerations for the financial year ended 31 December 2023G amounting to SAR 2.2 million against their participation in board meetings after the Company adopted the IFRSs and created the Audit Committee;
- increase in travel tickets and leave allowance due to the reclassification of leave allowance expenses from contracts cost to general and administrative expenses for the financial year ended 31 December 2023G. If travel tickets and leave allowance included in the contracts cost were combined with those included in general and administrative expenses, the total value would increase from SAR 12.2 million for the financial year ended 31 December 2022G to SAR 13.8 million for the financial year ended 31 December 2023G, which is consistent with the increase in the number of employees in the Company; offset by
- salaries included in general and administrative expenses decreased from SAR 15.6 million for the financial year ended 31 December 2022G to SAR 12.2 million for the financial year ended 31 December 2023G, due to the decrease in administrative staff costs for the financial year ended 31 December 2023G. If

salaries, wages, and benefits included in contracts cost were combined with those included in general and administrative expenses, the total value would increase from SAR 74.5 million for the financial year ended 31 December 2022G to SAR 99.4 million for the financial year ended 31 December 2023G, which is consistent with the increase in the total number of employees from 2,267 employees in the financial year ended 31 December 2022G to 3,254 employees in the financial year ended 31 December 2023G.

Salaries, wages, and benefits expenses increased by 34.4% or SAR 8.7 million, from SAR 25.3 million for the financial year ended 31 December 2023G to SAR 34.0 million for the financial year ended 31 December 2024G. This increase is due to the following main reasons:

- increase in salaries within general and administrative expenses by 56.6% or SAR 6.9 million, from SAR 12.2 million for the financial year ended 31 December 2023G to SAR 19.1 million for the financial year ended 31 December 2024G. This increase was related to the fact that the majority of administrative employees hired for the financial year ended 31 December 2023G were appointed towards the end of the year;
- increase in remuneration expenses by 220.0% or SAR 4.4 million, from SAR 2.0 million for the financial year ended 31 December 2023G to SAR 6.4 million for the financial year ended 31 December 2024G. This increase was linked to the Company's positive financial performance over the past two years;
- increase in end-of-service indemnity expenses from zero for the financial year ended 31 December 2023G to SAR 3.2 million for the financial year ended 31 December 2024G to cover end-of-service indemnity for administrative staff; This was partially offset by:
- decrease in travel tickets and leave allowance expenses from SAR 4.8 million for the financial year ended 31 December 2023G to nil for the financial year ended 31 December 2024G due to these expenses being reclassified to project and operational expenses.

Salaries, wages, and benefits expenses increased by 39.1% or SAR 9.2 million, from SAR 23.5 million for the six-month period ended 30 June 2024G to SAR 32.7 million for the six-month period ended 30 June 2025G. This increase is due to the following main reasons:

- increase in salary expenses by 31.8% or SAR 4.2 million, from SAR 13.2 million for the six-month period ended 30 June 2024G to SAR 17.4 million for the six-month period ended 30 June 2025G. This is because new administrative staff were hired at higher salaries than those of employees who were transferred from the Administration Department to the Projects Department, in addition to the improvement of the salary structure for existing employees during the period;
- increase in Social Insurance expenses by 52.9% or SAR 1.8 million, from SAR 3.4 million for the six-month period ended 30 June 2024G to SAR 5.2 million for the six-month period ended 30 June 2025G, for the same reason, in addition to the increase in the number of Saudi employees, who account for the largest proportion of Social Insurance payments.

Fines and government fees

Fines and government fees primarily relate to residency fees. They witnessed an increase of 43.6% or SAR 2.4 million, from SAR 5.5 million for the financial year ended 31 December 2022G to SAR 7.9 million for the financial year ended 31 December 2023G. This increase was mainly driven by the rise in government fees resulting from the increase in the number of employees.

Fines and government fees expenses also increased by 11.4% or SAR 0.9 million, from SAR 7.9 million for the financial year ended 31 December 2023G to SAR 8.8 million for the financial year ended 31 December 2024G, due to the rise in government fees resulting from the increase in the number of employees.

Fines and government fees expenses decreased by 32.6% or SAR 1.5 million, from SAR 4.6 million for the six-month period ended 30 June 2024G to SAR 3.1 million for the six-month period ended 30 June 2025G, due to the reclassification of some of these expenses under the contracts cost.

Consultation and professional fees

Consultation and professional fees include expenses for the independent auditor and consultants hired by the Company. Consultation and professional fees increased by 251.2% or SAR 10.3 million, from SAR 4.1 million for the financial year ended 31 December 2022G to SAR 14.4 million for the financial year ended 31 December 2023G. The increase is mainly due to the Company appointing PricewaterhouseCoopers Public Accountants as the Company's independent auditor to conduct the audit of the financial statements as at and for the financial years ended 31 December 2021G, 2022G, and 2023G. In addition, the Company incurred expenses of SAR 8.5 million for the financial year ended 31 December 2023G given it participated in a number of international conferences held

by the Saudi Water Authority and the Ministry of Environment, Water and Agriculture and carried out a number of studies, consultations and designs during the tendering phase.

Consultation and professional fees decreased by 42.4% or SAR 6.1 million, from SAR 14.4 million for the financial year ended 31 December 2023G to SAR 8.3 million for the financial year ended 31 December 2024G, as the Company's participation in several international conferences and training that occurred for the financial year ended 31 December 2023G did not recur for the financial year ended 31 December 2024G.

Consultation and professional fees increased by 17.0% or SAR 0.9 million, from SAR 5.3 million for the six-month period ended 30 June 2024G to SAR 6.2 million for the six-month period ended 30 June 2025G. This is mainly due to the increase in expenses incurred by the Company during the period related to the Initial Public Offering process.

Short-term leases

Short-term lease expense relates to the rent of employee accommodation and allowances paid to employees for accommodation rents. Rent expenses increased by 41.7% or SAR 0.5 million, from SAR 1.2 million for the financial year ended 31 December 2022G to SAR 1.7 million for the financial year ended 31 December 2023G, primarily driven by the increase in the number of employees from 38 employees in the financial year ended 31 December 2022G to 45 employees in the financial year ended 31 December 2023G.

Short-term lease expenses increased by 17.6% or SAR 0.3 million, from SAR 1.7 million for the financial year ended 31 December 2023G to SAR 2.0 million for the financial year ended 31 December 2024G.

Short-term lease expenses decreased by 62.5% or SAR 0.5 million, from SAR 0.8 million for the six-month period ended 30 June 2024G to SAR 0.3 million for the six-month period ended 30 June 2025G, due to the reclassification of some of these expenses under contracts cost.

Amortisation of intangible assets

Amortisation of intangible assets expense increased by 100.0% or SAR 0.2 million, from SAR 0.2 million for the financial year ended 31 December 2022G to SAR 0.4 million for the financial year ended 31 December 2023G, driven by additions to intangible assets related to the implementation of the Enterprise Resource Planning (ERP) system, valued at SAR 0.5 million for the financial year ended 31 December 2022G and SAR 0.7 million for the financial year ended 31 December 2023G.

There was no material change in the value of amortisation of intangible assets expense for the financial year ended 31 December 2024G compared to the financial year ended 31 December 2023G.

There was also no material change in the value of amortisation of intangible assets expense for the six-month period ended 30 June 2025G compared to the six-month period ended 30 June 2024G.

Others

The others item includes a variety of miscellaneous costs incurred during the normal course of business. These expenses mainly include fees related to research and development, research plans, laboratories and engineering, materials and equipment. The Others item increased from SAR 4.2 million for the financial year ended 31 December 2022G to SAR 5.4 million for the financial year ended 31 December 2023G, driven by increased expenses for materials, equipment and work related to employee and labor accommodation buildings.

The Others line item decreased by 33.3% or SAR 1.8 million, from SAR 5.4 million for the financial year ended 31 December 2023G to SAR 3.6 million for the financial year ended 31 December 2024G, as a result of the decrease in research and development expenses for projects under study.

The Others line item also decreased by 90.0% or SAR 0.9 million, from SAR 1.0 million for the six-month period ended 30 June 2024G to SAR 0.1 million for the six-month period ended 30 June 2025G, due to the reclassification of some of these expenses under contracts cost.

6.8.5 (Charge) reversal of impairment of financial assets

The item (charge) reversal of Impairment of Financial Assets relates to the recording of expected credit losses on contract receivables and contract assets based on IFRS. The Company recorded a reversal of the expected credit loss provision in 2023G amounting to SAR 73.4 million, due to the improvement in the collection process of contract receivables during that year. In comparison, the Company incurred an impairment loss on financial assets of SAR 11.4 million for the financial year ended 31 December 2022G.

The Company incurred a charge of SAR 46.7 million for the financial year ended 31 December 2024G, due to the increase in the balance of contract receivables from SAR 758.1 million as at 31 December 2023G to SAR 998.7 million as at 31 December 2024G.

The Company recorded a reversal of the impairment loss on financial assets (expected credit losses) for the six-month period ended 30 June 2024G amounting to SAR 6.2 million, and for the six-month period ended 30 June 2025G amounting to SAR 13.6 million, due to the improvement in the collection process of contract receivables during both periods.

6.8.6 Other operating income

Other operating income increased by 109.4% or SAR 3.5 million, from SAR 3.2 million for the financial year ended 31 December 2022G to SAR 6.7 million for the financial year ended 31 December 2023G. This is primarily due to the sale of leftover materials after the completion of a project.

Other operating income increased by 43.3% or SAR 2.9 million, from SAR 6.7 million for the financial year ended 31 December 2023G to SAR 9.6 million for the financial year ended 31 December 2024G. This was due to the sale of residual materials after the completion of a project for the financial year ended 31 December 2024G.

Other operating income increased by 100.0% or SAR 0.7 million, from SAR 0.7 million for the six-month period ended 30 June 2024G to SAR 1.4 million for the six-month period ended 30 June 2025G, as a result of the sale of leftover materials after the completion of a project for the six-month period ended 30 June 2025G.

6.8.7 Finance costs

Finance costs primarily include expenses related to lease liabilities and costs related to employee benefit obligations. Finance costs increased from SAR 0.9 million for the financial year ended 31 December 2022G to SAR 1.7 million for the financial year ended 31 December 2023G, and subsequently to SAR 1.9 million for the financial year ended 31 December 2024G, primarily driven by the increase in the number of employees.

Finance costs increased by 25.0% or SAR 0.2 million, from SAR 0.8 million for the six-month period ended 30 June 2024G to SAR 1.0 million for the six-month period ended 30 June 2025G, primarily driven by the increase in the number of employees.

Finance income

Finance income represents returns on bank investments in deposits at call. The Company opened three investment accounts in different banks and deposited SAR 117.5 million for the financial year ended 31 December 2024G and SAR 51.1 million as at 30 June 2025G. These deposits have original maturity period of less than three months and carry market rate of interest.

Finance income amounted to SAR 4.7 million for the financial year ended 31 December 2024G.

Finance income decreased by 72.4% or SAR 2.1 million, from SAR 2.9 million for the six-month period ended 30 June 2024G to SAR 0.8 million for the six-month period ended 30 June 2025G, due to a decrease in the balance of deposits at call.

6.8.8 Profit for the year / period

Profit for the year recorded an increase of 143.6% or SAR 877.2 million, from SAR 611.0 million for the financial year ended 31 December 2022G to SAR 1,488.2 million for the financial year ended 31 December 2023G, driven by the increase in contracts revenue resulting from the rise in the number and value of project contracts.

Profit for the year recorded a decrease of 18.7% or SAR 278.8 million, from SAR 1,488.2 million for the financial year ended 31 December 2023G to SAR 1,209.4 million for the financial year ended 31 December 2024G. This is mainly due to the decrease in gross profit by 9.1% or SAR 138.3 million, from SAR 1,517.5 million for the financial year ended 31 December 2023G to SAR 1,379.2 million for the financial year ended 31 December 2024G, and the recording of a provision for impairment loss on financial assets of SAR 46.7 million for the financial year ended 31 December 2024G.

The net profit margin for the year increased from 26.7% for the financial year ended 31 December 2022G to 45.1% for the financial year ended 31 December 2023G, due to several reasons, most notably: the increase in contracts revenue, the increase in gross profit margin, and the reversal of impairment loss on financial assets amounting to SAR 73.4 million.

The net profit margin for the year decreased from 45.1% for the financial year ended 31 December 2023G to 37.4% for the financial year ended 31 December 2024G, due to several reasons, most notably: the decrease in gross profit margin, the increase in general and administrative expenses, and the recording of a provision for impairment loss on financial assets of SAR 46.7 million.

The net profit margin for the period decreased from 48.4% for the six-month period ended 30 June 2024G to 28.1% for the six-month period ended 30 June 2025G, due to several reasons, most notably: the decrease in gross profit margin, the increase in general and administrative expenses, and the increase in Zakat expense.

6.8.9 Other comprehensive income

Other comprehensive income represents net income after profit and loss from the remeasurement of employee benefits.

Other comprehensive income for the year recorded an increase of 142.5% or SAR 874.8 million, from SAR 613.9 million for the financial year ended 31 December 2022G to SAR 1,488.7 million for the financial year ended 31 December 2023G, driven by the increase in operating profit.

Total comprehensive income decreased by 18.6% or SAR 277.0 million, from SAR 1,488.7 million for the financial year ended 31 December 2023G to SAR 1,211.7 million for the financial year ended 31 December 2024G, driven by the decrease in profit from operations by SAR 259.2 million.

Total comprehensive income decreased by 44.0% or SAR 330.3 million, from SAR 751.3 million for the six-month period ended 30 June 2024G to SAR 421.0 million for the six-month period ended 30 June 2025G, driven by the decrease in profit from operations by SAR 320.3 million.

Statement of financial position

The following table presents the statement of financial position for the financial years as at 31 December 2022G, 2023G, and 2024G and 30 June 2025G:

Table 6.15: Statement of financial position

SAR Million	As at 31 December				Variation		
	2022G	2023G	2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Assets							
Non-current assets							
Property and equipment	208.9	229.8	226.9	260.7	10.0%	(1.3%)	14.9%
Right-of-use-assets	5.4	5.4	4.6	4.3	0.0%	(14.8%)	(6.5%)
Intangible Assets	0.9	1.3	1.4	1.2	44.4%	7.7%	(14.3%)
Total non-current assets	215.2	236.5	233.0	266.2	9.9%	(1.5%)	14.2%
Current assets							
Contract receivables	749.5	758.1	998.7	1,122.7	1.1%	31.7%	12.4%
Contract assets	559.1	1,111.9	1,703.7	1,861.8	98.9%	53.2%	9.3%
Due from related parties	3.1	0.3	16.0	16.0	(90.3%)	5,233.3%	0.0%
Prepayments, advances and other receivables	245.6	111.3	233.0	315.4	(54.7%)	109.3%	35.4%
Cash and cash equivalents	145.7	171.7	190.2	153.0	17.8%	10.8%	(19.6%)
Total current assets	1,703.1	2,153.4	3,141.5	3,468.9	26.4%	45.9%	10.4%
Total assets	1,918.3	2,389.9	3,374.5	3,735.1	24.6%	41.2%	10.7%
Equity and liabilities							
Equity							
Share capital	1.0	300.0	800.0	800.0	29,900.0%	166.7%	0.0%
Statutory reserve	0.3	0.3	0.3	0.3	0.0%	0.0%	0.0%

SAR Million	As at 31 December				Variation		
	2022G	2023G	2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Retained earnings	949.4	1,539.1	1,850.8	2,121.9	62.1%	20.3%	14.6%
Total equity	950.7	1,839.4	2,651.1	2,922.2	93.5%	44.1%	10.2%
Liabilities							
Non-current liabilities							
Lease liabilities - non current	0.1	-	-	0.3	(100.0%)	N/A	N/A
Employee benefit obligations	33.7	39.0	43.1	47.0	15.7%	10.5%	9.0%
Total non-current liabilities	33.8	39.0	43.1	47.2	15.4%	10.5%	9.5%
Current liabilities							
Trade payables	240.6	212.8	191.6	257.5	(11.6%)	(10.0%)	34.4%
Advances from customers	71.0	16.4	28.8	4.8	(76.9%)	75.6%	(83.3%)
Contracts liabilities	130.3	-	-	-	(100.0%)	N/A	N/A
Due to related parties	314.9	29.7	9.0	55.8	(90.6%)	(69.7%)	520.0%
Accrued expenses and other payables	114.5	177.2	351.4	311.8	54.8%	98.3%	(11.3%)
Lease liabilities	2.9	1.2	0.3	0.2	(58.6%)	(75.0%)	(33.3%)
Zakat provision	59.6	74.1	99.1	135.6	24.3%	33.7%	36.8%
Total current liabilities	933.8	511.4	680.3	765.7	(45.2%)	33.0%	12.6%
Total liabilities	967.6	550.4	723.4	812.9	(43.1%)	31.4%	12.4%
Total equity and liabilities	1,918.3	2,389.9	3,374.5	3,735.1	24.6%	41.2%	10.7%

Source: Audited Financial Statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The Company's assets are mainly concentrated in four items: contract receivables, contract assets, prepayments, advances and other receivables, and property and equipment). These items collectively accounted for 91.9%, 92.5%, 93.7%, and 95.3% of total assets as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Non-current assets

Property and equipment represented 97.1%, 97.2%, 97.4%, and 97.9% of the total non-current assets balances as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Non-current assets increased from SAR 215.2 million as at 31 December 2022G to SAR 236.5 million as at 31 December 2023G. This increase is mainly due to additions to property and equipment of SAR 54.8 million for the financial year ended 31 December 2023G, which mainly included the purchase of land of SAR 5.0 million, the purchase of 283 vehicles with a total value of SAR 24.2 million to serve new projects, and the purchase of equipment and machinery of SAR 13.3 million. Total non-current assets decreased to SAR 233.0 million as at 31 December 2024G, mainly driven by the decrease in property and equipment from SAR 229.8 million as at 31 December 2023G to SAR 226.9 million as at 31 December 2024G. Total non-current assets increased from SAR 233.0 million as at 31 December 2024G to SAR 266.2 million as at 30 June 2025G. This increase is mainly due to additions to property and equipment of SAR 48.0 million for the six-month period ended 30 June 2025G, which mainly included the purchase of equipment and machinery of SAR 24.8 million and the purchase of 27 vehicles with a total value of SAR 22.0 million to serve some road maintenance projects.

Current assets

Contract receivables and contract assets collectively accounted for 76.8%, 86.8%, 86.0%, and 86.0% of total current assets as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Total current assets continuously increased by SAR 1,765.8 million, from SAR 1,703.1 million as at 31 December 2022G to SAR 3,468.9 million as at 30 June 2025G, primarily driven by the increase in contract assets and contract

receivables combined from SAR 1,308.6 million as at 31 December 2022G to SAR 2,984.5 million as at 30 June 2025G, resulting from the increase in the percentage of completion of ongoing projects during this period.

Equity

Equity increased by a CAGR of 37.8%, or SAR 1,971.5 million, from SAR 950.7 million as at 31 December 2022G to SAR 2,922.2 million as at 30 June 2025G. This is due to the increase in retained earnings from SAR 949.4 million as at 31 December 2022G to SAR 2,121.9 million as at 30 June 2025G, driven by increase in net income for the financial years ended 31 December 2023G and 31 December 2024G and the six-month period ended 30 June 2025G. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 14/09/1445H (corresponding to 24/03/2024G), the Company's share capital increased from SAR 300 million as at 31 December 2023G to SAR 800 million as at 31 December 2024G, divided into 800 million shares with a nominal value of one Saudi Riyal per share, through the capitalisation of SAR 500 million from the retained earnings account.

Non-current liabilities

Employee benefit obligations represented 99.7%, 100.0%, 100.0%, and 99.6% of total non-current liabilities as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Total non-current liabilities increased by 15.4% SAR 5.2 million, to SAR 39.0 million as at 31 December 2023G, due to the increase in employee benefit obligations following the increase in the number of employees from 2,267 employees as at 31 December 2022G to 3,254 employees as at 31 December 2023G. It then increased by 10.5% SAR 4.1 million, from SAR 39.0 million as at 31 December 2023G to SAR 43.1 million as at 31 December 2024G, due to the increase in the employee benefit obligations following the increase in the number of employees to 3,846 employees as at 31 December 2024G. Total non-current liabilities increased by 9.5% or SAR 4.1 million, from SAR 43.1 million as at 31 December 2024G to SAR 47.2 million as at 30 June 2025G, due to the increase in the employee benefit obligations following the increase in the number of employees to 4,360 employees as at 30 June 2025G.

Current liabilities

Three accounts of current liabilities collectively (trade payables, due to related parties, and accrued expenses and other payables) accounted for 71.7%, 82.1%, 81.1%, and 81.6% of total current liabilities as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Total current liabilities decreased by 45.2% or SAR 422.4 million, from SAR 933.8 million as at 31 December 2022G to SAR 511.4 million as at 31 December 2023G, due to:

- settlement of a big portion of due to related parties, which decreased from SAR 314.9 million as at 31 December 2022G to SAR 29.7 million as at 31 December 2023G. Management decided for the financial year ended 31 December 2023G to stop shareholder financing and settle all previously transferred funds from them;
- decrease in contract liabilities from SAR 130.3 million as at 31 December 2022G to nil as at 31 December 2023G. Prior to the financial year 2023G, the invoices issued for projects exceeded the project income recognized using the percentage of completion method, which resulted in recording the difference as a contract liability. The balance decreased to nil as at 31 December 2023G due to transferring the balance to contract assets.

The total current liabilities increased by 33.0% or SAR 168.9 million, from SAR 511.4 million as at 31 December 2023G to SAR 680.3 million as at 31 December 2024G, due to:

- increase in accrued expenses and other payables by 98.3% or SAR 174.2 million, from SAR 177.2 million as at 31 December 2023G to SAR 351.4 million as at 31 December 2024G, due to the increase in Value Added Tax (VAT) expense by 121.8% or SAR 75.5 million, from SAR 62.0 million as at 31 December 2023G to SAR 137.5 million as at 31 December 2024G. This resulted from the accumulation of deferred VAT on certificates issued to governmental and semi-governmental entities, which is not due for payment until the VAT on those certificates is collected;
- this increase was offset by the decrease in trade payables from SAR 212.8 million as at 31 December 2023G to SAR 191.6 million as at 31 December 2024G, driven by increased payments to commercial suppliers.

Total current liabilities increased by 12.6% or SAR 85.4 million, from SAR 680.3 million as at 31 December 2024G to SAR 765.7 million as at 30 June 2025G, due to:

- increase in trade payables by 34.4% or SAR 65.9 million, from SAR 191.6 million as at 31 December 2024G to SAR 257.5 million as at 30 June 2025G, due to the increase in transactions with suppliers and subcontractors for some new and ongoing projects;
- increase in due to related parties by 520.0% or SAR 46.8 million, from SAR 9.0 million as at 31 December 2024G to SAR 55.8 million as at 30 June 2025G. This is mainly due to securing a new project in Al-Hair, subcontracted from Al-Khutoot Al-Naqelah for Trading and Contracting Company to execute some project works;
- this increase was offset by the decrease in accrued expenses and other payables from SAR 351.4 million as at 31 December 2024G to SAR 311.8 million as at 30 June 2025G, driven by the decrease in accrued VAT.

6.8.10 Property and equipment

The following table presents the details of the Net Book Value of Property and Equipment as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G.

Table 6.16: Property and equipment, net book value

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Property and Equipment, Net book value							
Land	94.7	99.7	99.7	99.7	5.3%	0.0%	0.0%
Buildings	17.7	16.7	15.4	14.8	(5.6%)	(7.8%)	(3.9%)
Equipment and machinery	58.9	58.8	55.9	76.3	(0.2%)	(4.9%)	36.5%
Office equipment	0.9	1.4	1.0	1.0	55.6%	(28.6%)	0.0%
Tools	0.7	2.2	1.7	1.3	214.3%	(22.7%)	(23.5%)
Concrete barriers	0.5	0.2	0.2	0.1	(60.0%)	0.0%	(50.0%)
Furniture and fixtures	1.7	2.6	2.1	2.0	52.9%	(19.2%)	(4.8%)
Vehicles	33.9	47.6	50.3	64.8	40.4%	5.7%	28.8%
Capital work-in-progress	-	0.7	0.7	0.7	N/A	0.0%	0.0%
Property and equipment, Net book value	208.9	229.8	226.9	260.7	10.0%	(1.3%)	14.9%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Land, equipment and machinery, and vehicles accounted for 89.8%, 89.7%, 90.7%, and 92.4% of the net book value of property and equipment as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

The value of land owned by the Company increased from SAR 94.7 million as at 31 December 2022G to SAR 99.7 million as at 30 June 2025G. This increase is due to the purchase of land of SAR 5.0 million for the financial year ended 31 December 2023G.

There was no material change in the net book value of equipment and machinery between 31 December 2022G and 2023G, as additions were offset by depreciation and disposals for the financial year ended 31 December 2023G. The net book value of equipment and machinery decreased from SAR 58.8 million as at 31 December 2023G to SAR 55.9 million as at 31 December 2024G, due to depreciation of equipment and machinery and absence of material additions. The net book value of equipment and machinery increased from SAR 55.9 million as at 31 December 2024G to SAR 76.3 million as at 30 June 2025G, mainly due to the purchase of asphalt equipment of SAR 7.8 million, sweepers amounting to SAR 1.8 million, and others to meet the needs of a project in North Riyadh.

The net book value of vehicles increased from SAR 33.9 million as at 31 December 2022G to SAR 47.6 million as at 31 December 2023G. This increase is due to the purchase of 283 vehicles amounting to SAR 24.2 million for the financial year ended 31 December 2023G to serve NEOM projects, offset by disposals of vehicles with a net book value of SAR 0.4 million and depreciation of SAR 8.3 million for the financial year ended 31 December 2023G. The net book value of vehicles increased from SAR 47.6 million as at 31 December 2023G to SAR 50.3 million as at 31 December 2024G, due to the purchase of 27 additional vehicles of SAR 16.6 million for the financial year ended 31 December 2024G to serve the road network maintenance and traffic safety improvement project. The net book value of vehicles increased from SAR 50.3 million as at 31 December 2024G to SAR 64.8 million as at 30 June 2025G. This increase is due to the purchase of 37 additional vehicles of SAR 22.0 million for the six-month period ended 30 June 2025G to serve the road maintenance projects in North Riyadh.

Buildings includes staff accommodation and workshops. The net book value of buildings decreased from SAR 17.7 million as at 31 December 2022G to SAR 16.7 million as at 31 December 2023G. The prefabricated houses accounted for 62.0% of total additions during the year. The net book value of buildings continued to decrease to SAR 15.4 million as at 31 December 2024G. There was no material change in the net book value of buildings between 31 December 2024G and 30 June 2025G.

6.8.11 Right-of-use assets

The following table presents the details of right-of-use assets as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.17: Right-of-use-assets

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Right of use assets							
Accommodation buildings	1.3	0.2	0.3	0.4	(84.6%)	50.0%	33.3%
Vehicles	4.1	5.2	4.3	3.9	26.8%	(17.3%)	(9.3%)
Right-of-use-assets	5.4	5.4	4.6	4.3	0.0%	(14.8%)	(6.5%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Right-of-use assets are recognised under IFRS 16, which establishes the principles for the recognition, measurement, presentation, and disclosure of leases, requiring lessees to account for all leases under a single on-balance sheet model. The vehicle lease agreements accounted for 75.9%, 96.3%, 93.5%, and 90.7% of total right-of-use assets as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

6.8.12 Intangible assets

Intangible assets include computer software, which is measured at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life for software is 4 years.

6.8.13 Contract receivables

The following table presents the details of contract receivables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.18: Contract receivables

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Contract receivables							
Progress receivable	825.1	666.0	804.3	931.6	(19.3%)	20.8%	15.8%
Retention receivable	10.2	114.3	242.9	235.1	1,020.6%	112.5%	(3.2%)
	835.3	780.4	1,047.2	1,166.8	(6.6%)	34.2%	11.4%
Less: ECL allowance	(85.9)	(22.2)	(48.5)	(44.1)	(74.2%)	118.5%	(9.1%)
Contract receivables	749.5	758.1	998.7	1,122.7	1.1%	31.7%	12.4%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Contract receivables increased from SAR 749.5 million as at 31 December 2022G to SAR 758.1 million as at 31 December 2023G, due to:

- increase in the balance of retention receivables from SAR 10.2 million as at 31 December 2022G to SAR 114.3 million as at 31 December 2023G, driven by the increase in the number and value of projects that require withholding 10.0% of the contract value. These balances are settled by the client one year after the project handover. It should be noted that the retention receivables balance of SAR 114.3 million as at 31 December 2023G mainly relates to the Yanbu Water Transmission project SAR 77.0 million and the two projects from Customer (1) SAR 35.0 million; This was offset by
- decrease in the balance of progress receivables from SAR 825.1 million as at 31 December 2022G to SAR 666.0 million as at 31 December 2023G, due to improved collections of receivables.

Contract receivables increased by 31.7% or SAR 240.6 million, from SAR 758.1 million as at 31 December 2023G to SAR 998.7 million as at 31 December 2024G, due to:

- increase in progress receivables from SAR 666.0 million as at 31 December 2023G to SAR 804.3 million as at 31 December 2024G, due to the increase in balances related to two projects from Customer (1) and Al-Moghmas project during the year;
- increase in retention receivables from SAR 114.3 million as at 31 December 2023G to SAR 242.9 million as at 31 December 2024G, driven by the increase in the number and value of projects that require withholding 10% of the contract value. It should be noted that the retention receivables balance of SAR 242.9 million as at 31 December 2024G mainly relates to two projects from Customer (1) SAR 156.1 million.

Contract receivables increased by 12.4% or SAR 124.0 million, from SAR 998.7 million as at 31 December 2024G to SAR 1,122.7 million as at 30 June 2025G, due to the increase in progress receivables from SAR 804.3 million as at 31 December 2024G to SAR 931.6 million as at 30 June 2025G, driven by the increase in balances related to Wadi Al-Sulai project, Ras Al-Khair Water Transmission System project, and the North Riyadh Road Maintenance project during the period.

The following table presents the details of expected credit losses as at 31 December 2023G, 2024G, and 30 June 2025G:

Table 6.19: Provision for expected credit losses

Days	As at 31 December 2023G (Management)			As at 31 December 2024G (Management)			As at 30 June 2025G (Management)		
	SAR Million			SAR Million			SAR Million		
	Expected loss rate (%)	Gross carrying amount	ECL allowance	Expected loss rate (%)	Gross carrying amount	ECL allowance	Expected loss rate (%)	Gross carrying amount	ECL allowance
Not due	1.5%	345.1	5.1	1.6%	118.6	1.9	1.0%	354.9	3.5
0 - 90 days	2.9%	171.5	5.0	3.7%	385.1	14.1	2.5%	263.8	6.7
91 - 180 days	5.1%	52.6	2.7	7.3%	63.6	4.6	5.8%	143.4	8.3
181 - 270 days	6.8%	1.7	0.1	8.7%	109.8	9.5	8.8%	18.6	1.6
271 - 365 days	9.8%	31.2	3.0	14.4%	79.8	11.5	14.3%	10.1	1.4
Over 365 days	9.8%	63.9	6.3	14.6%	47.3	6.9	14.4%	140.9	20.3
ECL allowance		666.0	22.2		804.3	48.5		931.6	41.8

Source: The audited financial statements for the financial years ended 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The ECL allowance related to progress receivables amounted to SAR 41.8 million as at 30 June 2025G, and the ECL allowance related to retention receivables amounted to SAR 2.3 million as at 30 June 2025G.

The following table presents the movement of the ECL allowance as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.20: Movement in ECL allowance

SAR Million	As at and for the Financial Year Ended 31 December			As at and for the Six-month Period Ended	Variation		
	2022G (Audited)	2023G (Audited)	2024G (Audited)	30 June 2025G (Unaudited)	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
At January 1	89.8	85.9	22.2	48.5	(4.3%)	(74.2%)	118.5%
(Reversal)/ charge for the year/ period	(3.9)	(63.6)	34.8	(4.4)	1530.8%	(154.7%)	(112.6%)
Write-off	-	-	(8.6)	-	N/A	N/A	(100.0%)
At the end of the year/period	85.9	22.2	48.5	44.1	(74.2%)	118.5%	(9.1%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The Company recognises provisions for expected credit losses on receivables based on the application of IFRS 9. The Company applies the simplified approach to measuring expected credit losses, which measures the loss allowance over the lifecycle of the receivables. The balance of the expected credit loss provision decreased from SAR 85.9 million as at 31 December 2022G to SAR 22.2 million as at 31 December 2023G, due to the improvement in the collection process for balances due over 365 days, which decreased from SAR 176.5 million as at 31 December 2022G to SAR 63.9 million as at 31 December 2023G. It then recorded an increase of 118.5% to reach SAR 48.5 million as at 31 December 2024G, due to the increase in the receivables balance. The balance of the ECL provision decreased from SAR 48.5 million as at 31 December 2024G to SAR 44.1 million as at 30 June 2025G, due to the improvement in the collection process for the six-month period ended 30 June 2025G, as a large part of these collections was related to receivables due over 180 days.

The following table presents the details of the aging of progress receivables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.21: Aging of progress receivables

SAR Million	Not due - 0-90 days ^(*)	91-180 days	181-270 days	271-365 days	Over 365 days	Total
Aging of progress receivables						
30 June 2025G (Unaudited)	618.7	143.4	18.6	10.1	140.9	931.6
31 December 2024G (Audited)	503.7	63.6	109.8	79.8	47.3	804.3
31 December 2023G (Audited)	516.6	52.6	1.7	31.2	63.9	666.0
31 December 2022G (Audited)	472.4	67.2	94.4	14.6	176.5	825.1
% of total progress receivables (2025G)	66.4%	15.4%	2.0%	1.1%	15.1%	100.0%
% of total progress receivables (2024G)	62.6%	7.9%	13.7%	9.9%	5.9%	100.0%
% of total progress receivables (2023G)	77.6%	7.9%	0.3%	4.7%	9.6%	100.0%
% of total progress receivables (2022G)	57.3%	8.1%	11.4%	1.8%	21.4%	100.0%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The table above shows the aging of progress receivables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G.

^(*) The gross book value balance includes amounts not yet due.

The receivable balances within the 0-90 days bracket constituted the largest part of the progress receivables balance, reaching 57.3%, 77.6%, 62.6%, and 66.4% as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively. The progress receivables which are due over 365 days decreased from SAR 176.5 million as at 31 December 2022G (21.4% of the total) to SAR 47.3 million as at 31 December 2024G (5.9% of the total), due to the improvement in the collection process for receivables. The progress receivables which are due over 365 days increased from SAR 47.3 million as at 31 December 2024G (5.9% of the total) to SAR 140.9 million as at 30 June 2025G (15.1% of the total), due to the delay in receiving final payment certificates for some completed projects during the period, in addition to the delay in the disbursement of final instalments, which are considered as a guarantee until final acceptance by some customers, resulting in balances overdue for a period exceeding 365 days.

Management considers the ECL provision to be sufficient to cover any aged or doubtful balances. The provision for ECL is calculated in accordance with IFRS 9, which applies the expected credit loss method.

6.8.14 Contract assets

The following table presents the details of contract assets as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.22: Contract assets

SAR Million	Financial Year Ended 31 December			Six-month Period Ended	Variation		
	2022G (Audited)	2023G (Audited)	2024G (Audited)	30 June 2025G (Unaudited)	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
Contract assets							
Cumulative value of work executed	4,581.4	8,963.6	11,653.2	11,626	95.7%	30.0%	(0.2%)
Less: progress billings	(3,829.7)	(7,474.4)	(9,672.4)	(9,495.7)	95.2%	29.4%	(1.8%)
	751.7	1,489.1	1,980.8	2,130.3	98.1%	33.0%	7.5%

SAR Million	Financial Year Ended 31 December			Six-month Period Ended	Variation		
	2022G (Audited)	2023G (Audited)	2024G (Audited)	30 June 2025G (Unaudited)	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
Less: Advances from customers	(167.1)	(361.6)	(249.7)	(250.2)	116.4%	(30.9%)	0.2%
	584.6	1,127.6	1,731.2	1,880.1	92.9%	53.5%	8.6%
Less: ECL allowance	(25.4)	(15.6)	(27.5)	(18.3)	(38.6%)	76.3%	(33.5%)
Contract assets	559.1	1,111.9	1,703.7	1,861.8	98.9%	53.2%	9.3%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Contract assets continuously increased from SAR 559.1 million as at 31 December 2022G to SAR 1,703.7 million as at 31 December 2024G, mainly driven by the increase in business volume and the rise in revenue for the period, in addition to the value of work executed on two projects from Customer (1) which commenced for the financial year ended 31 December 2023G. Contract assets continued to increase to SAR 1,861.8 million as at 30 June 2025G, due to the increase in the volume of some new projects such as Jubail Buraydah Independent Water Transmission Pipeline (IWTP) Project and Al Haer Independent Sewage Treatment Plant Project, in addition to the value of work executed on two projects from Customer (1).

The movement of contract assets is not only related to the number of projects or the movement of contract revenue but is also affected by the timing of receiving completion certificates, which represent client approval of the percentage of work completed.

The balance of advances received from customers amounted to SAR 167.1 million, SAR 361.6 million, SAR 249.7 million, and SAR 250.2 million as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively. These balances are deducted from contract assets. Advances received from customers represent amounts provided by clients at the beginning of a project, ranging from 10-20% of the contract value. These payments are secured by letters of guarantee issued by the Company, and such amounts are released as the project progresses. If the contract assets for a particular project exceed the advance payment by the client, the advance payment is deducted from the contract assets and the net amount is reflected.

The provision for expected credit losses was calculated after applying the expected credit loss rate to contract assets. Management considers that the provision for expected credit losses is sufficient to cover any aged or doubtful balances, and the provision for expected credit losses was calculated according to IFRS 9 - Financial Instruments, which applies the expected credit loss method.

The following table illustrates the details of contract assets by key projects as at 30 June 2025G.

Table 6.23: Contract assets by key projects

SAR Million	Nature of Project	Contracts assets balance
Water Transmission System from Al-Bada' Main Reservoir to Lower Mountain Reservoir – Customer (1)	Water transmission systems	379.3
Al Haer Independent Sewage Treatment Plant	Water transmission systems	197.4
Jubail Buraydah Independent Water Transmission Pipeline (IWTP) Project	Water transmission systems	172.0
Water Transmission from Gayal to Al-Bada' Reservoir and Maghna Break Pressure Tank – Customer (1)	Water transmission systems	148.0
Wadi Al-Sulai Flood Drainage - Riyadh, Phase III	Water transmission systems	143.4
Treated water network for the Green Riyadh Program (Phase IV)	Water transmission systems	129.7
Maintenance and improvement of the quality of the road, safety, and traffic network in the northern sector of Riyadh	Flood mitigation	124.7
Khobar–Al-Hofuf water transmission system (Phase II), Groups (B+C)	Water transmission systems	111.1

SAR Million	Nature of Project	Contracts assets balance
Water Special Facilities Works in the Yanbu Phase 4	Irrigation networks	84.8
Project from Customer (4)	Sewage water treatment	68.5
Others	Others	571.4
Contract assets by key projects		2,130.3

Source: Management information.

The contract assets balances related to the projects mentioned in the table above represented 73.2% of the total contract assets balances as at 30 June 2025G.

6.8.15 Due from related parties

The following table presents the details of due from related parties as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.24: Due from related parties

(SAR'000)	Relationship	Transaction Type	As at				Variation		
			2022G	2023G	2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
			(Audited)	(Audited)	(Audited)	(Unaudited)			
Due from related parties									
Bader Mutlaq Al Otaibi Foundation Construction.	Entity under common control	Fees paid on behalf	131.4	-	-	-	(100.0%)	N/A	N/A
Anabeeb al Tag Commercial Foundation	Entity under common control	Fees paid on behalf	100.0	-	-	-	(100.0%)	N/A	N/A
Afaq Al-Fikr National Schools	Entity under common control	Fees paid on behalf	91.7	-	-	-	(100.0%)	N/A	N/A
Al-Ghowairi National Company	Entity under common control	Fees paid on behalf	584.8	-	-	-	(100.0%)	N/A	N/A
Edarat Al Asl Company Limited	Entity under common control	Fees paid on behalf	99.0	270.2	-	-	172.9%	(100.0%)	N/A
Buhour Al-Istithmar Company	Entity under common control	Fees paid on behalf	846.9	-	-	-	(100.0%)	N/A	N/A
Kol AlAyam Hotel	Entity under common control	Fees paid on behalf	19.3	-	-	-	(100.0%)	N/A	N/A
Omar Begad Hazly al Dalbahi	Other related parties	Payments from compensation dues	1,233.9	-	-	-	(100.0%)	N/A	N/A
Madi Ajmi Al-Ghowairi	Other related parties	Fees paid on behalf	27.4	-	-	-	(100.0%)	N/A	N/A
Mutlaq Damook Mutlaq Al Ghowairi	Other related parties	Offering expenses	-	-	12,917.7	12,917.7	N/A	N/A	0.0%
Torad Damook Mutlaq Al Ghowairi	Other related parties	Offering expenses	-	-	2,583.5	2,583.5	N/A	N/A	0.0%
Mutlaq Mohammad	Other related parties	Offering expenses	-	-	516.7	516.7	N/A	N/A	0.0%
Due from related parties			3,134.4	270.2	16,017.9	16,017.9	(91.4%)	5,828.2%	0.0%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Due from related parties decreased by 91.4% or SAR 2.8 million, from SAR 3.1 million as at 31 December 2022G to SAR 0.3 million as at 31 December 2023G, due to the collection of payables from related parties.

Due from related parties increased by SAR 15.7 million, from SAR 0.3 million as at 31 December 2023G to SAR 16.0 million as at 31 December 2024G. This is due to the public offering expenses paid by the Company on behalf of the shareholders, in accordance with the resolution of the Extraordinary General Assembly meeting held on 24 March 2024G (14 Ramadan 1445H).

There was no material change in payable from related parties as at 31 December 2024G and 30 June 2025G.

6.8.16 Prepayments, advances and other receivables

The following table presents the details of prepayments, advances and other receivables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.25: Prepayments, advances and other receivables

SAR Million	As at				Variation		
	31 Decem- ber 2022G	31 Decem- ber 2023G	31 Decem- ber 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Prepayments, advances and other receivables							
Advances to suppliers and subcontractors	196.2	69.0	201.2	292.2	(64.8%)	191.6%	45.2%
Margins on bank guarantees and letters of credit	39.4	30.5	26.6	18.7	(22.6%)	(12.8%)	(29.7%)
Advances to employees	2.3	1.0	0.5	4.3	(56.5%)	(50.0%)	760.0%
Other receivables	7.7	10.8	4.7	0.2	40.3%	(56.5%)	(95.7%)
Prepayments, advances and other receivables	245.6	111.3	233.0	315.4	(54.7%)	109.3%	35.4%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Advances to suppliers and subcontractors constituted the largest portion of the prepaid expenses balance amounting to 79.9%, 62.0%, 86.4%, and 92.6% of the balance as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively.

Advances to suppliers and subcontractors decreased from SAR 196.2 million as at 31 December 2022G to SAR 69.0 million as at 31 December 2023G, following the supply of the materials for the water transmission project in Al-Maghas during the same period.

Advances to suppliers and subcontractors increased by SAR 132.2 million, from SAR 69.0 million as at 31 December 2023G to SAR 201.2 million as at 31 December 2024G. This is primarily due to advances to local suppliers for materials and equipment required for two projects from Customer (1) of SAR 73.0 million during the same period.

Advances to suppliers and subcontractors increased by SAR 91.0 million, from SAR 201.2 million as at 31 December 2024G to SAR 292.2 million as at 30 June 2025G. This is mainly due to advances to local suppliers for materials and equipment primarily required for Al-Hair Independent Sewage Treatment Plant project, the Riyadh Green project, and the project for maintenance and quality improvement of the road network and traffic safety in Riyadh - North Pole.

The margins on bank guarantee and letters of credit decreased from SAR 39.4 million as at 31 December 2022G to SAR 18.7 million as at 30 June 2025G. This is due to the Company's ability to negotiate with banks to reduce margins, in addition to the completion of some projects.

6.8.17 Cash and cash equivalents

The following table presents the details of cash and cash equivalents as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.26: Cash and cash equivalents

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Cash and cash equivalents							
Cash at banks	145.7	120.4	72.7	101.9	(17.4%)	(39.6%)	40.2%
Deposits at call	-	51.3	117.5	51.1	N/A	129.0%	(56.5%)
Cash and cash equivalents	145.7	171.7	190.2	153.0	17.8%	10.8%	(19.6%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Cash and cash equivalents comprise cash at banks and deposits at call.

Cash and cash equivalents increased by 17.8% or SAR 26.0 million, from SAR 145.7 million as at 31 December 2022G to SAR 171.7 million as at 31 December 2023G, due to the increase in deposits at call of SAR 51.3 million placed with a commercial bank with an original maturity of less than three months and bearing a commission rate of 5.4%.

Cash and cash equivalents increased by 10.8% or SAR 18.5 million, from SAR 171.7 million as at 31 December 2023G to SAR 190.2 million as at 31 December 2024G, due to the increase in deposits at call by SAR 66.2 million from SAR 51.3 million as at 31 December 2023G to SAR 117.5 million as at 31 December 2024G. This was partially offset by a decrease in cash at banks from SAR 120.4 million as at 31 December 2023G to SAR 72.7 million as at 31 December 2024G.

Cash and cash equivalents decreased by 19.6% or SAR 37.2 million, from SAR 190.2 million as at 31 December 2024G to SAR 153.0 million as at 30 June 2025G, due to the decrease in deposits at call by SAR 66.4 million from SAR 117.5 million as at 31 December 2024G to SAR 51.1 million as at 30 June 2025G. These deposits were placed with a commercial bank with an original maturity of less than three months and bare a market interest rate. This was partially offset by an increase in cash at banks from SAR 72.7 million as at 31 December 2024G to SAR 101.9 million as at 30 June 2025G.

6.8.18 Equity

The following table presents equity as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.27: Equity

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Equity							
Share capital	1.0	300.0	800.0	800.0	29,900.0%	166.7%	0.0%
Statutory reserve	0.3	0.3	0.3	0.3	0.0%	0.0%	0.0%
Retained earnings	949.4	1,539.1	1,850.8	2,121.9	62.1%	20.3%	14.6%
Total equity	950.7	1,839.4	2,651.1	2,922.2	93.5%	44.1%	10.2%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Share capital

The Company's share capital amounted to SAR 1 million as at 31 December 2022G, divided into 100 thousand shares with a nominal value of ten Saudi Riyals per share. The share capital increased from SAR 1 million as at 31 December 2022G to SAR 300 million as at 31 December 2023G, divided into 30 million shares with a nominal value of ten Saudi Riyals per share, through the capitalisation of SAR 299 million from retained earnings for the financial year ended 31 December 2023G. Pursuant to the resolution of the Company's Extraordinary General Assembly dated 14/09/1445H (corresponding to 24/03/2024G), the share capital increased from SAR 300 million as at 31 December 2023G to SAR 800 million as at 31 December 2024G, divided into 800 million shares with a nominal value of one Saudi Riyal per share, through the capitalisation of SAR 500 million from retained earnings. The legal procedures related to this capital increase were completed during the year.

Statutory reserve

In accordance with the Company's previous Articles of Association and the former Companies Law, the Company was required to transfer 10% of annual net income to a statutory reserve, until it reached at least 30% of the Company's capital. The Company maintained a statutory reserve amounting to 30% of its capital as at 31 December 2022G. For the financial year ended 31 December 2023G, the Company's shareholders approved amendments to the Company's Articles of Association to comply with the new Companies Law, including the cancellation of the article regarding the transfer to a statutory reserve mentioned above, and decided to cease transferring further amounts. This reserve is currently not available for distribution to the Company's shareholders.

The Company's statutory reserve amounted to SAR 0.3 million as at 31 December 2024G and 30 June 2025G.

Retained earnings

Retained earnings increased by 62.1% or SAR 589.7 million, from SAR 949.4 million as at 31 December 2022G to SAR 1,539.1 million as at 31 December 2023G. This is due to the Company achieving a net income of SAR 1,488.8 million for the financial year ended 31 December 2023G. Of this income, SAR 600 million was distributed as dividends to shareholders for the financial year ended 31 December 2023G, and SAR 299 million was transferred from retained earnings to share capital.

Retained earnings continued to increase by 20.3% or SAR 311.7 million, from SAR 1,539.1 million as at 31 December 2023G to SAR 1,850.8 million as at 31 December 2024G, mainly driven by the Company achieving a net income of SAR 1,211.7 million for the financial year ended 31 December 2024G. Of this income, SAR 400.0 million was distributed as dividends to shareholders, and SAR 500.0 million was transferred from retained earnings to share capital for the financial year ended 31 December 2024G.

Retained earnings increased by 14.6% or SAR 271.1 million, from SAR 1,850.8 million as at 31 December 2024G to SAR 2,121.9 million as at 30 June 2025G, mainly driven by the Company achieving a net income of SAR 421.0 million for the six-month period ended 30 June 2025G. Of this income, SAR 150.0 million was distributed as dividends to shareholders.

6.8.19 Employee benefit obligations

Employee benefit obligations increased from SAR 33.7 million as at 31 December 2022G to SAR 47.0 million as at 30 June 2025G. This is mainly due to the increase in the number of employees from 2,267 employees as at 31 December 2022G to 4,360 employees as at 30 June 2025G.

The Company operates a defined benefit plan in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The employee benefit obligations payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Law. Employees benefit obligations plans are unfunded plans, and the benefit payment obligations are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the Projected Unit Credit Method was carried out by an independent actuary as at 31 December 2024G.

6.8.20 Lease liabilities

The following table presents the details of lease liabilities as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.28: Lease Liabilities

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Lease liabilities							
Current	2.9	1.2	0.3	0.2	(58.6%)	(75.0%)	(33.3%)
Non-current	0.1	-	-	0.3	(100.0%)	N/A	N/A
Lease liabilities	3.0	1.2	0.3	0.4	(60.0%)	(75.0%)	33.3%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The Company has operating and financing leases primarily related to a number of vehicles in addition to workers' accommodation units in Al-Khobar and Al Hofuf.

Lease liabilities decreased from SAR 3.0 million as at 31 December 2022G to SAR 0.4 million as at 30 June 2025G. This is mainly due to the expiration of vehicle finance leases and the transfer of ownership of these vehicles to the Company.

6.8.21 Trade payables

The following table presents the details of trade payables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.29: Trade payables

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Trade payables							
Commercial suppliers	175.3	133.8	95.8	131.6	(23.7%)	(28.4%)	37.4%
Subcontractors	65.3	79.1	95.8	126.0	21.1%	21.1%	31.5%
Trade payables	240.6	212.8	191.6	257.5	(11.6%)	(10.0%)	34.4%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Trade payables as at 31 December 2024G include the following items:

- payables to commercial suppliers of SAR 95.8 million related to the purchase of consumables such as concrete, gypsum, asphalt, pumps, tanks and pipes. Payables to commercial suppliers decreased by 23.7% or SAR 41.5 million, from SAR 175.3 million as at 31 December 2022G to SAR 133.8 million as at 31 December 2023G, due to the settlement of due to suppliers as a result of the improvement in the collection process of accounts receivable. Payables to commercial suppliers continued to decrease to SAR 95.8 million as at 31 December 2024G, due to settlement of part of the amounts to suppliers;
- payables to subcontractors of SAR 95.8 million which include the manufacturing, installation, and lining of pipes. These payables increased by 21.1% or SAR 13.8 million, from SAR 65.3 million as at 31 December 2022G to SAR 79.1 million as at 31 December 2023G, mainly driven by the increase in subcontractor expenses from SAR 332.4 million for the financial year ended 31 December 2022G to SAR 539.0 million for the financial year ended 31 December 2023G due to the growth in business volume. These payables

continued to increase to SAR 95.8 million as at 31 December 2024G, mainly driven by the increase in subcontractor costs from SAR 539.0 million for the financial year ended 31 December 2023G to SAR 556.4 million for the financial year ended 31 December 2024G;

Trade payables increased by 34.4% or SAR 65.9 million, from SAR 191.6 million as at 31 December 2024G to SAR 257.5 million as at 30 June 2025G, as a result of the growth in business volume and additional requirements, mainly for two projects from Customer (1), Al Haer Independent Sewage Treatment Plant Project, and Ras Al-Khair - Riyadh Water Transmission System Supply and Implementation Project.

6.8.22 Advances from customers

Advances from customers represent amounts received from clients at the beginning of the project, ranging between 10-20% of the contract value. These payments are secured by letters of guarantee issued by the company, and such amounts are released as the project progresses.

The following table presents the details of advances from customers as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.30: Advances from customers

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Advances from customers							
Advances from customers within contract assets	167.1	361.6	249.7	250.2	116.4%	(30.9%)	0.2%
Advances from customers within current liabilities	71.0	16.4	28.8	4.8	(76.9%)	75.6%	(83.3%)
Advances from customers	238.2	378.0	278.5	255.0	58.7%	(26.3%)	(8.4%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Advances from customers included in current liabilities and those included in current assets (contract assets) amounted to SAR 238.2 million, SAR 378.0 million, SAR 278.5 million, and SAR 255.0 million as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G, respectively. Advances from customers increased from SAR 238.2 million as at 31 December 2022G to SAR 378.0 million as at 31 December 2023G, mainly driven by the increase in the number and value of projects executed under project services contracts (design, supply, and construction works). Advances from customers decreased to SAR 255.0 million as at 30 June 2025G, due to the use of advance payments according to the progress of work in various projects.

6.8.23 Contract liabilities

The following table presents the details of contract liabilities as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G:

Table 6.31: Contract liabilities

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Contract liabilities							
Progress billing	1,334.1	-	-	-	(100.0%)	N/A	N/A
Less: value of work executed	(1,203.8)	-	-	-	(100.0%)	N/A	N/A
Contract liabilities	130.3	-	-	-	(100.0%)	N/A	N/A

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Contract liabilities decreased from SAR 130.3 million as at 31 December 2022G to nil as at 31 December 2023G. Prior to 2023G, the invoices issued for projects exceeded the amount of project revenue recognised using the percentage-of-completion method, leading to the difference being recorded as contract liabilities. The balance decreased to nil as at 31 December 2023G, 2024G, and 30 June 2025G, due to the transfer of the balance to current assets.

6.8.24 Transactions with related parties

The following table presents transactions with related parties as at 31 December 2022G, 2023G, 2024G, and 30 June 2024G and 2025G:

Table 6.32: Transactions with related parties

SAR Million	Related Party	Transaction Type	Financial Year Ended 31 December			Six-Month Period Ended 30 June	
			2022G	2023G	2024G	2024G	2025G
			(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Related party transactions							
Badr Mutlaq Al Otaibi Foundation for construction	Entity under common control	Construction work services	(3.4)	(2.9)	-	(0.2)	-
Transmission Lines Trading and Contracting Company	Entity under common control	Construction work services	(44.6)	(117.0)	(95.6)	(51.3)	(96.1)
Al-Ghowairi National Company	Entity under common control	Construction work services	(0.8)	(38.6)	(76.4)	(33.5)	(30.0)
Mohamed Damook Mutlaq Al Ghowairi Heirs	Shareholders	Dividends paid	113.0	150.0	100.0	50.0	37.5
		Settlements	0.2	74.5	-	0.1	-
		Payments on behalf of the Company for land purchases	(19.3)	-	-	-	-
		Fund transfer	(44.3)	(12.5)	-	-	-
		IPO expenses	-	-	0.5	-	-
Mutlaq Damook Mutlaq Al Ghowairi	Chairman of the Board	Dividends paid	237.3	315.0	206.5	105.0	78.8
		Settlements	5.8	176.5	-	3.0	-
		Payments on behalf of the Company for land purchases	(40.3)	-	-	-	-
		Fund transfer	(96.9)	(26.3)	-	-	-
		IPO expenses	-	-	12.9	-	-
		Dividends settled against balance due	-	-	3.5	-	-
Torad Damook Mutlaq Al Ghowairi	Vice Chairman	Dividends Paid	101.7	135.0	90.0	45.0	33.8
		Settlements	0.1	73.5	2.6	0.7	-
		Payments on behalf of the Company for land purchases	(17.3)	-	-	-	-
		Fund transfer	(43.4)	-	-	-	-

SAR Million	Related Party	Transaction Type	Financial Year Ended 31 December			Six-Month Period Ended 30 June	
			2022G	2023G	2024G	2024G	2025G
			(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Key management personnel compensation		Salaries and other short-term employee benefits	2.8	11.5	14.9	1.1	9.3
		Employee benefit obligations	0.3	0.5	0.7	0.2	0.3
Total ⁽¹⁾			771.5	1,133.8	603.6	290.1	285.8

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

⁽¹⁾ The sum has been calculated based on the absolute values of the figures, i.e. disregarding the positive or negative signs.

Related parties consist of shareholders, members of the board of directors, associate companies (which represent entities directly or indirectly controlled by the Company's shareholders or in which they have substantial influence), and key management personnel. It should be noted that all transactions with related parties were approved by the General Assembly. The significant transactions with related parties are as follows:

Transactions with Mutlaq Damook Mutlaq Al Ghowairi, Torad Damook Mutlaq Al Ghowairi, and Mohamed Damook Mutlaq Al Ghowairi Heirs.

Transactions mainly consist of dividends, settlements, and payments on behalf of the Company to purchase lands, and funds transferred for the purpose of financing working capital.

- dividend distributions – dividend distributions amounted to SAR 452.0 million and SAR 600.0 million for the financial years ended 31 December 2022G and 2023G, respectively. The Company also distributed dividends of SAR 400.0 million for the financial year ended 31 December 2024G. Dividend distributions amounted to SAR 150.0 million for the six-month period ended 30 June 2025G;
- payments on behalf of the Company for the purchase of lands - for the financial year ended 31 December 2022G, the shareholders Mutlaq Damook Mutlaq Al Ghowairi, Torad Damook Mutlaq Al Ghowairi and Mohamed Damook Mutlaq Al Ghowairi Heirs paid SAR 40.3 million, SAR 17.3 million and SAR 19.3 million, respectively, for a total of SAR 76.9 million on behalf of the Company to purchase seven lands with a total area of 304,952 squared meters in Riyadh, Hael and Makkah Al Mukarrama to build the Company's headquarters, warehouses and employee accommodation;
- transferred funds – the shareholders Mutlaq Damook Mutlaq Al Ghowairi, Torad Damook Mutlaq Al Ghowairi and Mohamed Damook Mutlaq Al Ghowairi Heirs paid an amount of SAR 96.9 million, SAR 43.4 million and SAR 44.3 million, respectively, for a total of SAR 184.5 million for the financial year that ended on 31 December 2022G. Moreover, the shareholders Mutlaq Damook Mutlaq Al Ghowairi and Mohamed Damook Mutlaq Al Ghowairi Heirs paid an amount of SAR 26.3 million and SAR 12.5 million, respectively, for a total of SAR 38.8 million for the financial year that ended on 31 December 2023G, to finance the Company's working capital requirements such as settling outstanding balances to suppliers;
- settlements – the Company settled via cash payments an amount of SAR 0.2 million to the shareholder Mohamed Damook Mutlaq Al Ghowairi Heirs, SAR 5.8 million to the shareholder Mutlaq Damook Mutlaq Al Ghowairi and SAR 0.1 million to the shareholder Torad Damook Mutlaq Al Ghowairi for a total of SAR 6.1 million for the financial year ended 31 December 2022G. Moreover, the Company settled via cash payments an amount of SAR 74.5 million to the shareholder Mohamed Damook Mutlaq Al Ghowairi Heirs, SAR 176.5 million to the shareholder Mutlaq Damook Mutlaq Al Ghowairi and SAR 73.5 million to the shareholder Torad Damook Mutlaq Al Ghowairi for a total of SAR 324.5 million for the financial year ended 31 December 2023G to settle the outstanding balances to them.

Badr Mutlaq Al Otaibi Establishment for construction, Transmission Lines Trading and Contracting Company, and Al Ghowairi Al Watania Company

The transactions with Badr Mutlaq Al Otaibi Foundation represent the costs of securing equipment and concrete materials to execute the works of Al-Maghmas Reservoir Transfer Systems Project and the Feed Line Construction Project (For further details, please refer to paragraph 3 of the table 4-15 (Details of the Company's Ongoing Projects

Related to Construction Works by Business Segment as at 13/11/1447H (corresponding to 30/04/2026G), Project Completion Percentages, and Percentage of Revenue Recognized from 01 January 2025G until 30 June 2025G)).

The transactions with Transmission Lines Trading and Contracting Company represent the costs of securing equipment and labour for the execution of project no. 504 with the Ministry of Transportation and Logistics Services, in addition to Al Haer Independent Sewage Treatment Plant Project. (For further details, refer to section 11.7.1.1 "Subcontracting contract with Transmission Lines Trading and Contracting Company").

The transactions with Al Ghowairi Al Watania Company represent the costs of contracting services and securing equipment and labor to execute the works of Project No. 404 with the Ministry of Transportation and Logistics Services. (For further details, please refer to table 4-16 (Details of the Company's Ongoing Operation and Maintenance Works Projects by Business Segment as at 13/11/1447H (corresponding to 30/04/2026G) and Revenue Percentages Recognized in the Current Year until as at 30 June 2025G)).

Key management personnel

Transactions with key management personnel represent wages and other short-term benefits, and employees' benefits obligations. Key management personnel include board members and CEOs.

The following table presents due to related parties as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G.

Table 6.33: Due to related parties

SAR Million	Relationship	Transaction Type	As at				Variation		
			31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
			(Audited)	(Audited)	(Audited)	(Unaudited)			
Due to related parties									
Transmission Lines Trading and Contracting Company	Associate company	Subcontractor	25.0	19.1	4.5	54.2	(23.6%)	(76.4%)	1,104.4%
Mutlaq Damook Mutlaq Al Ghowairi	Other related parties	Due from dividends in 2022G Due from Board of Directors' remuneration in 2023G	153.1	0.2	-	-	(99.9%)	(100.0%)	N/A
Mohammad Damook Mutlaq Al Ghowairi Heirs	Other related parties	Due from dividends in 2022G	62.1	-	-	-	(100.0%)	N/A	N/A
Torad Damook Mutlaq Al Ghowairi	Other related parties	Due from dividends in 2022G Due from Board of Directors' remuneration in 2023G	74.1	0.2	-	-	(99.7%)	(100.0%)	N/A
Waleed Abdurrahman Al Odiani	Other related parties	Accrued remuneration	0.6	-	-	-	(100.0%)	N/A	N/A
Al Ghowairi Al Watania Company	Associate company	Subcontractor	-	9.4	4.5	1.4	N/A	(52.1%)	(68.9%)
Omar Begad Hazli Al Dalbahi	Other related parties	Board of Directors' remuneration	-	0.2	-	-	N/A	(100.0%)	N/A
Saleh Mohammad Al Johaiman	Other related parties	Board of Directors' remuneration	-	0.2	-	-	N/A	(100.0%)	N/A
Ibraheem bin Ali Al Mohsen	Other related parties	Board of Directors' remuneration	-	0.2	-	-	N/A	(100.0%)	N/A

SAR Million	Relationship	Transaction Type	As at				Variation		
			31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
			(Audited)	(Audited)	(Audited)	(Unaudited)			
Imad Obaid Al Otaibi	Other related parties	Board of Directors' remuneration	-	0.1	-	-	N/A	(100.0%)	N/A
Mutlaq Mohammad	Other related parties	Board of Directors' remuneration	-	0.2	-	-	N/A	(100.0%)	N/A
Harsskom Co.	Other related parties	Subcontractor	-	-	0.0	0.3	N/A	N/A	586.5%
Due to related parties			314.9	29.7	9.0	55.8	(90.6%)	(69.7%)	520.0%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Due to related parties decreased by 90.6%, or SAR 285.2 million, from SAR 314.9 million as at 31 December 2022G to SAR 29.7 million as at 31 December 2023G, following the settlement of the aforementioned amounts to the shareholders (Mutlaq Damook Mutlaq Al Ghowairi, Torad Dammouk Mutlaq Alghuwairi, and Mohammad Dammouk Mutlaq Alghuwairi Heirs).

The balance of due to related parties further decreased by 69.7%, or SAR 20.7 million, from SAR 29.7 million as at 31 December 2023G to SAR 9.0 million as at 31 December 2024G. The balances are concentrated for each of Transmission Lines Trading and Contracting Company and Al Ghowairi Al Watania Company, as these companies were subcontracted to carry out works related to some projects, in accordance with the Board of Directors' Resolution issued on 1 April 2024G, which was approved by the minutes of the Ordinary General Assembly issued on 14 April 2024G.

The balance of due to related parties increased by 520.0%, or SAR 46.8 million, from SAR 9.0 million as at 31 December 2024G to SAR 55.8 million as at 30 June 2025G. This is primarily due to securing a new project in Al-Hair, where Al-Khutoot Al-Naqelah Company was subcontracted to execute some works related to this project.

6.8.25 Accrued expenses and other payables

The following table presents the details of accrued expenses and other payables as at 31 December 2022G, 2023G, 2024G, and 30 June 2025G.

Table 6.34: Accrued expenses and other payables

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Accrued expenses and other payables							
Value Added Tax payable	85.8	62.0	137.5	108.9	(27.7%)	121.8%	(20.8%)
Accrued expenses	22.1	106.5	213.4	202.4	381.9%	100.4%	(5.2%)
Other credit balances	6.6	8.7	0.5	0.5	31.8%	(94.3%)	0.0%
Accrued expenses and other payables	114.5	177.2	351.4	311.8	54.8%	98.3%	(11.3%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Accrued expenses and other payables consists of value added tax (VAT) payables, accrued project expenses, provisions for travel tickets and vacation allowances, and other credit balances.

Accrued expenses and other payables increased by 54.8%, or SAR 62.7 million, from SAR 114.5 million as at 31 December 2022G to SAR 177.2 million as at 31 December 2023G, driven by an increase in accrued expenses of SAR 84.4 million. This increase was mainly due to expenses related to accrued purchases of SAR 81.7 million for two projects from Customer (1). Accrued expenses and other payables continued to increase by 98.3%, or SAR 174.2 million, from SAR 177.2 million as at 31 December 2023G to SAR 351.4 million as at 31 December 2024G, driven by the increase in value added tax expenses by 121.8%, or SAR 75.5 million from SAR 62.0 million as at 31 December 2023G to SAR 137.5 million as at 31 December 2024G, in addition to an increase in accrued expenses of SAR 106.9 million, driven by an increase in delivered but not yet invoiced purchases SAR 102 million mainly related to three projects.

Accrued expenses and other payables decreased by 11.3%, or SAR 39.6 million, from SAR 351.4 million as at 31 December 2024G to SAR 311.8 million as at 30 June 2025G, driven by the decrease in value added tax.

Zakat provision

The following table presents the details of the movement in the zakat provision for the financial years ended 31 December 2022G, 2023G, 2024G, and six-month period ended 30 June 2025G:

Table 6.35: Movement in zakat provision

SAR Million	As at				Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	December 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)			
Zakat provision							
At 1 January	52.0	59.6	74.1	99.1	14.6%	24.3%	33.7%
Charge for the year/ period	29.0	46.2	66.8	36.4	59.3%	44.6%	(45.5%)
Adjustments recognised in the period for current tax of prior periods	-	-	3.5	-	N/A	N/A	(100.0%)
Payments	(21.3)	(31.7)	(45.3)	-	48.8%	42.9%	(100.0%)
At the end of the year/period	59.6	74.1	99.1	135.6	24.3%	33.7%	36.8%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of period/year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

The zakat provision balance increased by a CAGR of 26.5%, or SAR 76.0 million, from SAR 59.6 million as at 31 December 2022G to SAR 135.6 million as at 30 June 2025G. This is due to the improvement in the Company's financial performance, in which it achieved a profit for the year / period of SAR 611.0 million, SAR 1,488.2 million, SAR 1,204.9 million, and SAR 419.8 million for the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month period ended 30 June 2025G, respectively.

The Company filed its zakat returns and obtained zakat certificates for all years up to 2024G. The Company has obtained its final assessments for all years up to 2018G. On 28 April 2024G, the Company has obtained its final assessment from the Zakat, Tax and Customs Authority (ZATCA) with an additional assessment of SAR 3.5 million which has been paid on 29 May 2024G. The Company has not received any assessments for the years from 2019G to 2024G. It is worth noting that the year 2019G may be considered final as it falls outside the five (5) year statute of limitations period from the due date for filing the zakat declaration. Management have made an additional accrual related to zakat to cover any additional assessments in the coming years.

6.8.26 Bank guarantees and letters of credit

As at 30 June 2025G, the Company had bank guarantees and letters of credit issued in the normal course of business amounting to SAR 4,165 million (31 December 2024G: SAR 3,463 million; 31 December 2023G: SAR 2,413 million; 31 December 2022G: SAR 2,048 million).

Capital expenditures contracted by the Company amounted to approximately SAR 48.0 million as at 30 June 2025G (31 December 2024G: SAR 29.3 million).

6.9 Statement of Cash Flows

The following table presents the statement of cash flows for the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month periods ended 30 June 2024G and 2025G:

Table 6.36: Statement of cash flows

SAR Million	For the financial year ended			For the six-month period		Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	June 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)			
Net cash inflow from operating activities	100.3	951.6	434.3	195.8	160.8	848.8%	(54.4%)	(17.9%)
Net cash outflow from investing activities	(34.5)	(35.7)	(17.9)	(7.3)	(47.8)	3.5%	(49.9%)	554.8%
Net cash outflow from financing activities	(271.3)	(889.9)	(397.8)	(200.7)	(150.2)	228.0%	(55.3%)	(25.2%)
Net (decrease)/ increase in cash and cash equivalents	(205.5)	26.0	18.5	(12.2)	(37.2)	(112.7%)	(28.8%)	204.9%
Cash and cash equivalents at beginning of the year/ period	351.2	145.7	171.7	171.7	190.2	(58.5%)	17.8%	10.8%
Cash and cash equivalents at end of the year/ period	145.7	171.7	190.2	159.5	153.0	17.8%	10.8%	(4.1%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

For the financial year ended 31 December 2022G, the Company used cash flows from operating activities, in addition to cash available at the beginning of the year, to cover cash outflows from investing and financing activities.

For the financial year ended 31 December 2023G, the Company was able to cover the net cash outflows investing and financing activities by utilising cash flows from operating activities, resulting in a positive net change in cash and cash equivalents of SAR 26.0 million, increasing cash and cash equivalents to SAR 171.7 million as at 31 December 2023G.

For the financial year ended 31 December 2024G, cash flows from operating activities were used to cover net cash outflows investing and financing activities, resulting in a positive net change in cash and cash equivalents of SAR 18.5 million, increasing cash and cash equivalents to SAR 190.2 million as at 31 December 2024G.

For the six-month period ended 30 June 2024G, the Company used cash flows from operating activities, in addition to cash available at the beginning of the period, to cover net cash outflows from investing and financing activities, decreasing cash and cash equivalents to SAR 159.5 million as at 30 June 2024G.

For the six-month period ended 30 June 2025G, the Company used cash flows from operating activities, in addition to cash available at the beginning of the period, to cover cash outflows from investing and financing activities, decreasing cash and cash equivalents to SAR 153.0 million as at 30 June 2025G.

6.9.1 Cash flows from operating activities

The following table presents the statement of cash flows from operating activities for the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month periods ended 30 June 2024G and 2025G:

Table 6.37: Cash flows from operating activities

SAR Million	For the financial year ended			For the six-month period ended		Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	June 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)			
Cash flows from operating activities:								
Profit before Zakat	640.0	1,534.4	1,279.8	778.8	456.3	139.8%	(16.6%)	(41.4%)
Adjustments for non-cash items:								
Depreciation of property and equipment	20.0	21.7	23.4	22.4	14.2	8.5%	7.8%	(36.6%)
Depreciation of right-of-use-assets	1.8	2.0	1.1	0.6	0.6	11.1%	(45.0%)	0.0%
Amortization of intangible assets	0.2	0.4	0.4	0.2	0.2	100.0%	0.0%	0.0%
Loss / (gain) on disposal of property and equipment	0.3	(2.6)	(3.2)	-	(0.1)	(966.7%)	23.1%	N/A
Charge / (reversal)/ of impairment of financial assets	11.4	(73.4)	46.7	(6.2)	(13.6)	(743.9%)	(163.6%)	119.4%
Employee benefit obligations	6.1	7.1	7.9	3.6	4.3	16.4%	11.3%	19.4%
Finance cost	0.9	1.7	1.9	0.8	1.0	88.9%	11.8%	25.0%
Changes in operating assets and liabilities:								
Contract receivables	(104.4)	54.9	(275.3)	75.9	(119.6)	(152.6%)	(601.5%)	(257.6%)
Contract assets	(362.2)	(543.0)	(603.6)	(527.6)	(148.9)	49.9%	11.2%	(71.8%)
Due from related Parties	(1.5)	2.9	(19.3)	0.3	-	(293.3%)	(765.5%)	(100.0%)
Prepayments, advances and other receivables	(136.0)	134.3	(121.6)	(242.3)	(82.4)	(198.8%)	(190.5%)	(66.0%)
Trade payables	88.5	(27.8)	(21.2)	40.2	65.9	(131.4%)	(23.7%)	63.9%
Advances from customers	(59.7)	(54.7)	12.4	(15.1)	(24.0)	(8.4%)	(122.7%)	58.9%
Contract liabilities	(53.7)	(130.3)	-	-	-	142.6%	(100.0%)	N/A
Due to related parties	16.5	(4.4)	(20.6)	5.0	46.8	(126.7%)	368.2%	836.0%
Accrued expenses and other payables	56.1	62.8	174.2	103.2	(39.7)	11.9%	177.4%	(138.5%)
Cash generated from operations	124.2	985.9	483.0	239.8	161.0	693.8%	(51.0%)	(32.9%)
Employee benefit obligations paid	(2.6)	(2.6)	(3.3)	(0.0)	(0.2)	0.0%	26.9%	N/A
Zakat paid	(21.3)	(31.7)	(45.3)	(44.0)	-	48.8%	42.9%	(100.0%)
Net cash inflow from operating activities	100.3	951.6	434.3	195.8	160.8	848.8%	(54.4%)	(17.9%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Net cash inflow from operating activities increased by 848.8%, or SAR 851.3 million, from SAR 100.3 million for the financial year ended 31 December 2022G to SAR 951.6 million for the financial year ended 31 December 2023G, mainly driven by the Company achieving a net profit of SAR 1,488.2 million for the financial year ended 31 December 2023G.

Net cash inflow from operating activities decreased by 54.4%, or SAR 517.3 million, from SAR 951.6 million for the financial year ended 31 December 2023G to SAR 434.3 million for the financial year ended 31 December 2024G, due to:

- an increase in contract receivables driven by increased invoicing and delays in collection;
- an increase in contract assets driven by lengthy invoice review processes by key ongoing project clients, and increased percentage of completion; and
- an increase in prepayments, advances and other receivables.

This increase was offset by a decrease in contract liabilities to nil.

Net cash inflow from operating activities decreased by 17.9%, or SAR 35.0 million, from SAR 195.8 million for the six-month period ended 30 June 2024G to SAR 160.8 million for the six-month period ended 30 June 2025G, mainly due to the decrease in profit before zakat during the period.

6.9.2 Cash flows from investing activities

The following table presents the cash flows from investing activities for the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month periods ended 30 June 2024G and 2025G:

Table 6.38: Statement of cash flows from investing activities

SAR Million	For the financial year ended			For the six-month period ended		Variation		
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	June 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)			
Cash flows from investing activities								
Payments for purchase of property and equipment	(49.9)	(49.8)	(29.3)	(6.7)	(48.0)	(0.2%)	(41.2%)	616.4%
Proceeds from the sale of property and equipment	16.0	14.8	12.0	-	0.1	(7.5%)	(18.9%)	N/A
Payments for purchase of intangible assets	(0.5)	(0.7)	(0.6)	(0.6)	-	40.0%	(14.3%)	N/A
Net cash outflow from investing activities	(34.5)	(35.7)	(17.9)	(7.3)	(47.8)	3.5%	(49.9%)	554.8%

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

Net cash outflow from investing activities increased by 3.5%, from SAR 34.5 million for the financial year ended 31 December 2022G to SAR 35.7 million for the financial year ended 31 December 2023G. This increase was mainly due to the purchase of property and equipment to meet project needs and the increase in business volume.

Net cash outflow from investing activities decreased by 49.9%, or SAR 17.8 million, from SAR 35.7 million for the financial year ended 31 December 2023G to SAR 17.9 million for the financial year ended 31 December 2024G, driven by the decrease in the Company's purchases of property and equipment.

Net cash outflow from investing activities increased by 554.8%, or SAR 40.5 million, from SAR 7.3 million for the six-month period ended 30 June 2024G to SAR 47.8 million for the six-month period ended 30 June 2025G, driven by the increase in the Company's purchases of property and equipment.

6.9.3 Cash flows from financing activities

The following table presents the statement of cash flows from financing activities for the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month periods ended 30 June 2024G and 2025G:

Table 6.39: Statement of cash flows from financing activities

SAR Million	For the financial year ended			For the six-month period ended		Variation		
	2022G	2023G	2024G	30 June 2024G	30 June 2025G	2022G - 2023G	2023G - 2024G	June 2024G - June 2025G
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)			
Cash flows from financing activities								
Dividend paid	(452.0)	(600.0)	(396.5)	(200.0)	(150.0)	32.7%	(33.9%)	(25.0%)
Repayment of due to related parties	-	(324.5)	-	-	-	N/A	(100.0%)	N/A
Receipts against due to related parties	184.5	38.8	-	-	-	(79.0%)	(100.0%)	N/A
Payment of principal elements of lease payments	(3.7)	(3.8)	(1.3)	(0.6)	(0.2)	2.7%	(65.8%)	(66.7%)
Payment of finance cost elements of lease payments	(0.2)	(0.3)	(0.1)	(0.1)	(0.0)	50.0%	(66.7%)	(87.0%)
Net cash outflow from financing activities	(271.3)	(889.9)	(397.8)	(200.7)	(150.2)	228.0%	(55.3%)	(25.2%)

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The main movement in net cash outflow from financing activities was mainly related to dividend paid amounting to SAR 452.0 million, SAR 600.0 million, and SAR 396.5 million to shareholders for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively.

Net cash outflow from financing activities increased by 228.0%, from SAR 271.3 million for the financial year ended 31 December 2022G to SAR 889.9 million for the financial year ended 31 December 2023G mainly due to the settlement of due to related parties in addition to dividend distribution.

Net cash outflow from financing activities decreased by 55.3%, or SAR 492.1 million, from SAR 889.9 million for the financial year ended 31 December 2023G to SAR 397.8 million for the financial year ended 31 December 2024G, mainly driven by the settlement of due to related parties amounting to SAR 324.5 million for the financial year ended 31 December 2023G, which did not recur for the financial year ended 31 December 2024G. This movement was partially offset by dividend paid amounting to SAR 396.5 million for the financial year ended 31 December 2024G.

Net cash outflow from financing activities decreased by 25.2%, or SAR 50.5 million, from SAR 200.7 million for the six-month period ended 30 June 2024G to SAR 150.2 million for the six-month period ended 30 June 2025G, mainly driven by the decrease in dividend paid from SAR 200.0 million for the six-month period ended 30 June 2024G to SAR 150.0 million for the six-month period ended 30 June 2025G.

6.10 Capitalisation and indebtedness

The current shareholders own all the Company's shares before the offering, and after the completion of the initial public offering process, they will own 70.0% of the Company's shares.

The following table presents the Company's capitalisation as at the financial years ended 31 December 2022G, 2023G, 2024G, and the six-month period ended 30 June 2025G, noting that the following table must be read in conjunction with the financial statements and related financial information, including the accompanying notes provided in section 18 "Financial Statements and Independent Auditor's Report" thereon.

Table 6.40: Company's capitalisation and indebtedness

SAR Million	As at			
	31 December 2022G	31 December 2023G	31 December 2024G	30 June 2025G
Lease liabilities – Non-current	0.1	0	0	0.3
Lease liabilities - Current	2.9	1.2	0.3	0.2
Total lease liabilities	3.0	1.2	0.3	0.5
Share capital	1.0	300.0	800.0	800.0
Statutory reserve	0.3	0.3	0.3	0.3
Retained earnings	949.4	1,539.1	1,850.8	2,121.9
Total equity	950.7	1,839.4	2,651.1	2,922.2
Total capitalization (total lease liabilities + equity)	953.70	1,840.6	2,651.4	2,922.7

Source: Audited financial statements for the financial years ended 31 December 2022G, 31 December 2023G and 31 December 2024G, and unaudited interim condensed financial information for the three-month and six-month periods ended 30 June 2025G, and Management information.

The members of the Board of Directors acknowledge the following:

- That the Company has no debt instruments as at the date of this prospectus.
- That none of the Company's shares are subject to any option rights.
- That the Company's balance and cash flows are sufficient to cover its expected cash needs for working capital and capital expenditures for a period of at least twelve (12) months after the date of this prospectus, subject to any material adverse change in the Company's business.



07

Dividend Distribution Policy

7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder is entitled to all the rights attached to the Shares, in particular the right to receive a portion of the dividends that are to be distributed. The distribution of any dividends will be recommended by the Board of Directors before being approved by the Shareholders at a General Assembly meeting. The Company is under no obligation to declare dividends and any decision to distribute dividends will depend on, amongst other factors, the Company's historic and anticipated earnings and cash flows, financing and capital requirements, market and general economic conditions, zakat and other legal and regulatory considerations.

The distribution of dividends is subject to the Company's Bylaws, as per Article 36, which states the following:

- a. the Ordinary General Assembly may, when determining dividends from the net profits, decide to create reserves to the extent that serves the Company's interest or ensures the distribution of fixed profits, as much as possible, to Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees; and
- b. the General Assembly shall determine the percentage of net profits to be distributed to Shareholders after the deduction of reserves, if any.

The Board of Directors may also declare and distribute interim dividends to Shareholders in accordance with the relevant laws and regulations.

The following is a summary of the dividends that the Company announced and distributed in the years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G:

Table 7.1: Dividends Declared and Distributed in the Years Ended 31 December 2022G, 2023G and 2024G and the Six-Month Period Ended 30 June 2025G (SAR)⁽¹⁾

SAR	31 December 2022G ⁽²⁾	31 December 2023G ⁽³⁾	31 December 2024G ⁽⁴⁾	Six-Month Period Ended 30 June 2025G ⁽⁵⁾
Declared dividends for the year/period	452,000,000	600,000,000	400,000,000	150,000,000
Dividends paid for the year/period	452,000,000	600,000,000	396,457,020	150,000,000
Settlements during the year/period	-	-	3,542,980(6)	-
Total comprehensive income for the year/period	613,934,431	1,488,747,154	1,211,690,661	421,045,980
Ratio of declared dividends to total comprehensive income for the year/period	73.6%	40.3%	33%	35.4%

Source: The Company

⁽¹⁾ The Company distributed all profits for the years ended 31 December 2022G, 2023G, and 2024G, as well as for the six-month period ended 30 June 2025G, from retained earnings.

⁽²⁾ The General Assembly approved the distribution of dividends for the financial year ended 31 December 2022G at its meeting held on 12/05/1444H (corresponding to 06/12/2022G) in the amount of SAR 452,000,000.

⁽³⁾ The General Assembly approved the distribution of dividends for the financial year ended 31 December 2023G at its meeting held on 02/05/1445H (corresponding to 16/11/2023G) in the amount of SAR 600,000,000.

⁽⁴⁾ The General Assembly approved the distribution of dividends on 23/09/1445H (corresponding to 02/04/2024G) in the amount of SAR 100,000,000. The Board also approved the distribution of interim dividends for Q1 of 2024G on 07/12/1445H (corresponding to 13/06/2024G) in the amount of SAR 100,000,000, for Q2 of 2024G on 16/02/1446H (corresponding to 20/08/2024G) in the amount of SAR 100,000,000, and for Q3 of 2024G on 06/08/1446H (corresponding to 09/12/2024G) in the amount of SAR 100,000,000.

⁽⁵⁾ The General Assembly approved the distribution of dividends for the financial year ended 31 December 2024G at its meeting held on 29/07/1446H (corresponding to 29/01/2025G) in the amount of SAR 100,000,000. The Board also approved the distribution of interim dividends for Q1 of 2025G on 26/12/1446H (corresponding to 23/06/2025G) in the amount of SAR 50,000,000.

⁽⁶⁾ The aforementioned settlement amount arose from transactions during the period from 2011G to 2020G. During this period, the Company granted interest-free loans of non-material amounts to six individuals as assistance to those individuals, based on the direction of the Chairman of the Board, Mutlaq Bin Damouk Al-Ghowairi Alotaibi, and such amounts were recorded as receivables due from such individuals. The Company deemed it appropriate to settle these outstanding balances, and the Chairman of the Board, Mutlaq Bin Damouk Al-Ghowairi Alotaibi, committed to bearing the settlement amount by deducting such amounts from his share of profits.

The Board also approved the distribution of dividends for Q2 of 2025G on 21/01/1447H (corresponding to 16/07/2025G) in the amount of SAR 150,000,000. The dividends were distributed on 22/01/1447H (corresponding to 17/07/2025G) in the amount of SAR 50 million, on 27/02/1447H (corresponding to 21/08/2025G) in the amount of SAR 50 million, and on 16/03/1447H (corresponding to 08/09/2025G) in the amount of SAR 50 million. The General Assembly approved additional dividend distributions for the Q2 2025G on 05/04/1447H (corresponding to 27/09/2025G) totaling SAR 200,000,000, based on the recommendation of the Board of Directors dated 03/04/1447H (corresponding to 25/09/2025G). The dividends were distributed as SAR 60.9 million on 06/04/1447H (corresponding to 28/09/2025G) and SAR 139.1 million on 13/04/1447H (corresponding to 05/10/2025G). Additionally, the General Assembly approved dividend distributions for Q3 2025G on 28/04/1447H (corresponding to 20/10/2025G) totaling SAR 300,000,000, based on the recommendation of the Board of Directors dated 27/04/1447H (corresponding to 19/10/2025G). Of this amount, SAR 200,000,000 was distributed on 12/05/1447H (corresponding to 03/11/2025G) and SAR 100,000,000 on 10/06/1447H (corresponding to 01/12/2025G). The Company distributed all dividends for Q2 2025G and Q3 2025G from retained earnings.

Holders of the Offer Shares are not entitled to any dividends announced prior to the date of this Prospectus. The first entitlement for holders of Offer Shares shall be in dividends announced by the Company from the date of this Prospectus and for subsequent financial years. Shareholders shall be entitled to their portion of dividends, whether in cash or in the form of granted shares, in accordance with the General Assembly resolution issued in this regard. Such resolution shall specify the due date and the distribution date. Entitlement to dividends shall be for Shareholders registered in the Shareholders' registers at the end of the day specified for entitlement.



08

Use of Offering Proceeds

8. Use of Offering Proceeds

The total Offering Proceeds are estimated at approximately SAR [●], of which approximately SAR 150,000,000 will be used to settle the Offering expenses, which include the fees of the Financial Advisors, the Lead Manager, the Bookrunners, the Underwriters, the Legal Advisor to the Issuer, the Financial Due Diligence Advisor, the Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters, the Receiving Agents, the Market Consultant, and the Independent Auditor, as well as marketing, printing, and distribution expenses, regulatory fees, and other fees and expenses related to the Offering.

The Net Offering Proceeds of approximately SAR [●] will be distributed to the Selling Shareholders on a pro rata basis according to the number of Offer Shares being sold by each Selling Shareholder. The Company will not receive any part of the Offering Proceeds. The Selling Shareholders will bear all fees, costs and expenses in relation to the Offering.



09

Statements by Experts

9. Statements by Experts

All the advisors whose names are listed on pages (viii) and (ix), have provided their written consent to reference their names, addresses, and logos, and to include their statements and reports, as applicable, in this Prospectus in the form in which they appear therein. None of them have withdrawn their consent as at the date of this Prospectus. Furthermore, all such entities and their employees forming the engagement team providing services to the Company or any of their relatives, do not own any shares in the Company, nor do any of them have any interest of any kind in the Company as at the date of this Prospectus that could impair their independence. The Independent Auditor has also provided written consent to reference its name and logo and to include its statements in this Prospectus in the form in which they appear therein, and they have not withdrawn their consent as at the date of this Prospectus. Additionally, the Independent Auditor and the employees - forming the engagement team providing services to the Company – or any of their relatives do not own any shares in the Company, nor do any of them have any interest of any kind in the Company as at the date of this Prospectus that could impair their independence.



10

Declarations

10. Declarations

The Directors declare the following:

- a. neither they, nor any of the Senior Executives or the Secretary have at any time been declared bankrupt or been subject to bankruptcy proceedings;
- b. none of the companies in which any of the Directors, Senior Executives or the Secretary were employed in a managerial or supervisory capacity has been declared insolvent or bankrupt during the previous five years;
- c. except as specified in Section 11.7 (*Related Party Transactions*) and Section 5.9.2 (*Interests of the Directors, Senior Executives and Board Secretary in the Contracts and Agreements Concluded with the Company*), they do not themselves, nor do any of the Senior Executives, Secretary, or their Relatives or Affiliates, have any interest in any existing contract, whether written or verbal, or contract or arrangement under consideration or expected to be conducted with the Company as at the date of this Prospectus;
- d. except as otherwise described in Section 5.9.1 (*Interests of the Directors, Senior Executives and Board Secretary in the Company's Shares and Debt Instruments*) and Section 5.9.2 (*Interests of the Directors, Senior Executives and Board Secretary in the Contracts and Agreements Concluded with the Company*) neither they, nor any of the Senior Executives, Secretary, or their Relatives, have any shareholding or interest of any kind in the Company nor in any debt instruments of the Company, and the Company is prohibited from granting a loan of any kind to a Director or guaranteeing a loan entered into by a Director;
- e. except as disclosed in Section 2.1.26 (*Risks Related to Related Party Transactions*), all transactions with Related Parties described in Section 11.7 (*Related Party Transactions*), including determination of the financial consideration for contracts, have been carried out in a systematic and legal manner and on appropriate and fair commercial principles used in transactions with third parties;
- f. no commissions, discounts, brokerages or other non-cash compensation were granted by the Company within the three years immediately preceding the application for the registration and offer of securities subject of this Prospectus in connection with the issuance or sale of any securities;
- g. there has been no interruption in the Company's business that may significantly affect or have affected its financial position during the previous 12 months;
- h. there is no intention to introduce any material changes to the nature of the Company's business;
- i. neither the Directors nor the Chief Executive Officer will vote on General Assembly resolutions that relate to any transaction or contract in which they have a direct or indirect interest;
- j. there has been no material adverse change in the financial or trading position of the Company in the three financial years ended 31 December 2022G, 2023G and 2024G and the six-month period ended 30 June 2025G immediately preceding the date of filing the application for the registration and offering of securities that are subject of this Prospectus, in addition to the period covered in the Independent Auditor's report until the date of approval of this Prospectus;
- k. the Company does not have any employee share schemes involving employees in the share capital of the Company, nor are there any other similar arrangements in place;
- l. the Company does not own any securities (contractual or otherwise) or assets whose value is subject to fluctuation that would adversely and materially affect its financial position;
- m. except as disclosed in Section 2 (*Risk Factors*), the Company is not aware of any information regarding any Governmental, economic, financial, monetary or political policies or any other factors that have (directly or indirectly) materially affected or may materially affect its operations;
- n. except as disclosed in Section 2 (*Risk Factors*), the Company is not aware of any seasonal factors or economic cycles related to its business that would affect the Company's operations or financial position;
- o. the statistical information used in Section 3 (*Market Overview*) obtained from third-party sources represents the latest information available from each respective source;
- p. the information and data contained in this Prospectus obtained from third parties, including information obtained from the Market Study Report prepared by the Market Consultant, is reliable, and there is no reason for the Company to believe that such information is materially inaccurate;

- q. except as stated in Section 2.1.33 (*Risks Related to Failure to Secure Adequate Insurance Coverage*), the Company has insurance policies with sufficient insurance coverage to carry out its activities, and the Company renews its insurance policies regularly to ensure continued insurance coverage;
- r. all contracts and agreements which the Company considers to be material or important or which could have an impact on an Investor's decision to invest in the Offer Shares have been disclosed in Section 11.6 (*Material Agreements and Transactions*), and there are no other material agreements or contracts that have not been disclosed;
- s. all terms and conditions that may affect the decisions of Investors to invest in the Offer Shares have been disclosed;
- t. as at the date of this Prospectus, there are no material Related Party contracts or transactions that have any material impact on the Company's activities and the Company has no intention of entering into any new agreements with Related Parties, except as specified in Section 11.7 (*Related Party Transactions*);
- u. the Selling Shareholders will incur all the expenses and costs related to the Offering on a pro-rata basis according to the number of Offer Shares owned by each Selling Shareholder, and such costs will be deducted from the Offering Proceeds, including the fees of the Financial Advisors, the Lead Manager, the Bookrunners, the Underwriters, the Legal Advisor to the Issuer, the Financial Due Diligence Advisor, the Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters, the Market Consultant, the Receiving Agents and the Independent Auditor, as well as marketing, printing and distribution costs, regulatory fees and other expenses related to the Offering;
- v. as at the date of this Prospectus, there is no ongoing dispute with ZATCA, or objection thereof. The Selling Shareholders, each according to their relevant share, shall incur any additional claims that may be filed by ZATCA against the Company for the preceding years until the date of listing. The relevant undertakings have been obtained from the Selling Shareholders;
- w. they have developed procedures, controls and systems that enable the Company to meet all the requirements of the relevant laws, regulations and directives, including the Companies Law, the CML and its Implementing Regulations (including the Rules on the Offer of Securities and Continuing Obligations) and the Listing Rules;
- x. all of the Company's employees are under its sponsorship;
- y. the legal and beneficial ownership, whether direct or indirect, of the Company's Shares as at the date of this Prospectus belongs to the persons whose names are listed in Section 4.4 (*Ownership Structure of the Company Pre- and Post-Offering*);
- z. all increases in the share capital of the Company are in compliance with the applicable laws and regulations of the Kingdom;
- aa. except as disclosed in Section 2 (Risk Factors) and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor's decision to invest in the Offer Shares as at the date of this Prospectus;
- bb. except as disclosed in Section 2.1.30 (*Risks Related to the Company's Inability to Renew the Necessary Licenses and Permits for its Business*) and Section 11.5 (*Key Licenses, Approvals and Permits Obtained by the Company and a Description of Suspended or Expired Licenses and Permits*), the Company has obtained all of the necessary key licenses and permits to carry out its business activities;
- cc. except as disclosed in Section 11.14 (*Litigation, Claims and Legal Proceedings*), the Company is not subject to any ongoing claims, cases, legal procedures or investigation procedures that may, individually or in the aggregate, materially affect the business of the Company or its financial position;
- dd. except as disclosed in Section 11.8 (*Credit Facility Agreements*), the Company has not issued any debt instruments, nor does it have any term loans or any other outstanding loans or debts (including bank overdrafts, financial liabilities under acceptance, acceptance credits or purchase commitments);
- ee. the Company has working capital sufficient for at least 12 months immediately following the date of this Prospectus;
- ff. no Shares of the Company are under option;
- gg. the financial information appearing in this Prospectus and the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, have been prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. The unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G was prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting

- (“IAS 34”), as endorsed in the Kingdom and other standards and pronouncements issued by the SOCPA;
- hh. the financial information appearing in this Prospectus has been derived from the Company’s audited financial statements without any material amendments thereto;
 - ii. the financial information appearing in Section 6 (*Management Discussion and Analysis of Financial Position and Results of Operations*) has been derived without any material amendments from the Company’s audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited condensed interim financial information for the three- and six-month periods ended 30 June 2025G. Furthermore, the financial information is presented in a manner consistent with the audited annual financial statements of the Company. Moreover, certain other financial information contained in this Prospectus has been derived from Management information;
 - jj. the Company is capable of preparing the required reports in a timely manner in accordance with the Implementing Regulations issued by the CMA;
 - kk. all necessary approvals have been obtained from lenders to offer 30.00% of the Company’s Shares for public subscription in order for the Company to become a public joint stock company;
 - ll. all necessary approvals have been obtained to offer the Shares on the Exchange and for the Company to become a listed joint stock company;
 - mm. there is no breach of the contractual terms under the agreements with the providers of all loans, facilities and financing, and the Company is compliant with all such terms and conditions, except for those for that have been waived as stated in Section 11.8 (*Credit Facility Agreements*);
 - nn. the Company is committed to all the terms and conditions under the agreements with lenders granting all loans, facilities and financing;
 - oo. all material facts regarding the Company and its financial performance have been disclosed in this Prospectus and there are no other facts the omission of which would make any statement herein misleading;
 - pp. the issuance does not violate the relevant laws and regulations of the Kingdom;
 - qq. the issuance does not violate any of the contracts or agreements to which the Company is a party;
 - rr. all material legal information relating to the Company has been disclosed in this Prospectus;
 - ss. all material terms and conditions that could affect the decisions of the Subscribers in the Company’s Shares have been disclosed;
 - tt. the Company’s Directors are not subject to any legal proceedings or actions that may, individually or collectively, have a material effect on the Company’s business or its financial position;
 - uu. there are no mortgages, rights, or encumbrances on the Company’s property as at the date of this Prospectus;
 - vv. the Company undertakes to provide the latest interim financial statements, to be included within the preliminary Prospectus prior to the commencement of the Offering of the Company’s shares or within the final Prospectus, or to announce them prior to the listing of the Company’s shares (as applicable), in accordance with the periods stipulated in the relevant continuing obligations for listed companies; and

In addition to the above declarations, the Directors confirm that:

- a. this Prospectus contains all of the information required to be included under the Rules on the Offer of Securities and Continuing Obligations and no facts that may affect the application for the registration and offer of securities have been omitted from this Prospectus;
- b. the information and data contained in this Prospectus obtained from third parties, including information obtained from the Market Study Report prepared by the Market Consultant, is reliable, and there is no reason for the Company to believe that such information is materially inaccurate;
- c. they have submitted, and will submit, to the CMA all the documents required under the CML and the Rules on the Offer of Securities and Continuing Obligations;
- d. the Company has prepared its internal control systems and policies on sound principles and has implemented a written policy regulating conflicts of interest and resolving possible conflicts of interest issues, which include the misuse of the Company’s assets and misfeasance due to Related Party transactions. Furthermore, the Company has ensured that its operational and financial systems are sound and that control procedures appropriate for risk management are implemented in accordance with Part 5 of the Corporate Governance Regulations. The Directors review the Company’s internal control procedures on an annual basis;

- e. the internal control, accounting and information technology systems of the Company are sufficient and adequate;
- f. except as disclosed in Section 5.9 (*Conflicts of Interest*) and Section 11.7 (*Related Party Transactions*), there is no conflict of interest related to the Directors with respect to contracts or transactions entered into with the Company;
- g. none of the Directors engaged in any activities similar to or competitive with those of the Company. The Directors undertake to fulfill this regulatory requirement in the future in accordance with Article 27 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
- h. unless otherwise approved by the General Assembly or the Board of Directors in the event it is authorized by the General Assembly to do so in accordance with the relevant laws and regulations, a Director may not have a direct or indirect interest in the transactions and contracts entered into by the Company;
- i. the Directors shall notify the Board of any direct or indirect personal interest they may have in the transactions and contracts entered into by the Company, and this notification will be recorded in the minutes of the Board meeting;
- j. all transactions with Related Parties shall be entered into on an arm's-length basis and all works and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by the Companies Law, the Company's General Assembly. Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
- k. the Directors and the Chief Executive Officer shall not have the right to vote on decisions relating to their fees and remuneration;
- l. the Directors and the Chief Executive Officer shall not have the right to vote on decisions relating to a contract or proposal in which they have an interest; and
- m. neither the Directors nor any Senior Executive shall obtain a loan from the Company, and the Company shall not guarantee any loan entered into by a Director.

The Directors undertake to:

- a. record all Board of Directors resolutions by means of written meeting minutes, which shall be signed by the Directors;
- b. disclose the details of any Related Party transactions in accordance with the requirements of the Corporate Governance Regulations;
- c. comply with the provisions of Articles 27, 71 and 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations; and
- d. amend the Company's Bylaws in the first Extraordinary General Assembly after listing in accordance with the Corporate Governance Regulations issued by the CMA and other applicable laws and regulations.



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Mutlaq Al-Ghowairi Contracting Company





11

Legal Information

11. Legal Information

11.1 Legal Declarations

The Directors declare the following:

1. the issuance is in compliance with all applicable laws and regulations in the Kingdom;
2. the issuance does not violate any of the contracts or agreements to which the Issuer is a party;
3. all material legal information relating to the Issuer has been disclosed in this Prospectus;
4. except as disclosed in Section (11.14) (*Litigation, Claims and Legal Proceedings*), the Company is not to be subject to any legal proceedings or actions that may individually or collectively have a material effect on the business of the Company or its financial position;
5. the Directors of the Company are not subject to any lawsuits or legal proceedings that may individually or collectively have a material effect on the business of the Company or its financial position; and
6. the Directors and the Executive Management members have not collectively or individually engaged in any activity similar to or competitive with that of the Company.

11.2 The Company

Mutlaq Al-Ghowairi Contracting Co. is a Saudi closed joint stock company converted pursuant to Ministerial Resolution No. Q/292, dated 02/09/1438H (corresponding to 28/05/2017G), and registered under Commercial Registration No. 1010012911, dated 02/08/1397H (corresponding to 18/07/1977G), issued in Riyadh, Kingdom. The address of the Company's headquarters is Abi Al Hasan Ali Ibn Makki Street, Al Andalus District, P.O. Box 3852, Riyadh 13212, Kingdom of Saudi Arabia. The current share capital of the Company is eight hundred million SAR (800,000,000), divided into eight hundred million (800,000,000) ordinary Shares, with a fully paid nominal value of one Saudi Arabian Riyal per Share. The Company's main activities according to its Commercial Register include:

- General construction of Government buildings;
- Construction of roads, streets, sidewalks, and road appurtenances;
- Construction of bridges and tunnels;
- Construction of railway lines;
- Construction of aircraft runways;
- Repair and maintenance of roads, streets, sidewalks, and road appurtenances;
- Extension of pipes of all kinds for electricity, communications, and other purposes;
- Extension of oil and gas pipelines;
- Extension of water lines between and within cities and construction of new networks;
- Construction of stations and main lines for water distribution;
- Construction of irrigation and watering canals and main water storage towers;
- Construction of sewage stations and projects, sewer networks, and pumps;
- Construction of port berths and marine facilities;
- Construction of dams;
- Construction works for military fields;
- Network extensions;
- Installation and maintenance of fire alarm systems and equipment;
- Installation and maintenance of traffic safety devices;
- Installation, maintenance and repair of solar energy networks;
- Installation, maintenance and repair of cooling and air conditioning systems;

- Extension, maintenance and repair of fire pipes;
- Extension, maintenance and repair of irrigation pipes;
- Installation, repair and maintenance of lightning arresters;
- Land transportation of goods;
- Water transmission via pipelines;
- Railway infrastructure;
- Environmental sanitation service activities;
- Road cleaning activities; and
- Repair and maintenance of bridges and tunnels.

(for further details about the Company's activity, please refer to Section 4.7 (*Overview of the Company's Business*)).

11.3 Shareholding Structure

The following table sets out the Company's shareholding structure pre- and post-Offering:

Table 11.1: Ownership Structure of the Company's Shares Pre- and Post-Offering

No.	Shareholder	Pre-Offering		Post-Offering	
		Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
1.	Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi ⁽²⁾	420,000,000	52.500%	256,000,000	32.000%
2.	Terad Damouk Mutlaq Al-Ghowairi ⁽²⁾	180,000,000	22.500%	125,760,000	15.720%
3.	Mutlaq Mohamed Damouk Al-Ghowairi ⁽²⁾	33,888,000	4.236%	28,000,000	3.500%
4.	Abdulmajid Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	2.362%
5.	Abdulmohsen Mohamed Damouk Al-Ghowairi	18,896,000	2.362%	18,896,000	2.362%
6.	Abdullah Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	16,000,000	2.000%
7.	Nayef Mohamed Damouk Al-Ghowairi ⁽²⁾	18,888,000	2.361%	16,000,000	2.000%
8.	Moudi Ajmi Sanhat Al-Otaibi	15,000,000	1.875%	15,000,000	1.875%
9.	Nada Mohamed Damouk Al-Ghowairi	9,448,000	1.181%	9,448,000	1.181%
10.	Nouf Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	8,000,000	1.000%
11.	Wafaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,448,000	1.181%	8,000,000	1.000%
12.	Asmaa Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	8,000,000	1.000%
13.	Reem Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	8,000,000	1.000%
14.	Shatha Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	8,000,000	1.000%
15.	Noura Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	8,000,000	1.000%
16.	Hind Mohamed Damouk Al-Ghowairi ⁽²⁾	9,440,000	1.180%	8,000,000	1.000%
17.	Public ⁽³⁾	-	-	240,000,000	30.000%
Total		800,000,000	100%	800,000,000	100%

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ Selling Shareholder.

⁽³⁾ The "Public" row represents the number and percentage of Shares being offered to the Public under the Offering, amounting to 240,000,000 Shares, equivalent to 30.00% of the Company's share capital. This does not include the shares that will be owned after the Offering by certain Current Shareholders who meet the definition of "public" under the CMA regulations, namely Abdullah Mohamed Damouk Al-Ghowairi, Nayef Mohamed Damouk Al-Ghowairi, Nouf Mohamed Damouk Al-Ghowairi, Wafaa Mohamed Damouk Al-Ghowairi, Asmaa Mohamed Damouk Al-Ghowairi, Reem Mohamed Damouk Al-Ghowairi, Shatha Mohamed Damouk Al-Ghowairi, Noura Mohamed Damouk Al-Ghowairi, Hind Mohamed Damouk Al-Ghowairi, and Nada Mohamed Damouk Al-Ghowairi. Thus, the total number of Shares owned by the Public after the Offering will be 337,448,000 Shares, representing 42.181% of the Company's share capital.

11.4 The Company's Branch

As at the date of this Prospectus, the Company has one branch, and the following table sets out the details of the Company's branch:

Table 11.2: The Company's Branch Details

No.	Branch's Name According to the Registration Certificate	Commercial Registration Number	Registration Date	Annual Confirmation Date	Location	Branch's Activity According to the Commercial Registration
1.	Mutlaq Al-Ghowairi Contracting Company	1010400529	05/03/1435H (corresponding to 06/01/2014G)	22/01/1447H (corresponding to 17/07/2025G)	Riyadh	Import, export, wholesale and retail trade of building materials, heavy and light equipment, crushing equipment, water pumps, electric and air generators and their accessories, waterway tanks and their accessories, electrical control devices, measuring devices and their accessories and water pipes.

Source: The Company.

11.5 Key Licenses, Approvals and Permits Obtained by the Company and a Description of Suspended or Expired Licenses and Permits

The below is a summary of the key licenses, approvals, and permits obtained by the Company; and a description of suspended or expired licenses and permits:

Table 11.3: Key Licenses, Approvals and Permits Obtained by the Company

Issuing Authority	Type of License/ Approval/Permit	No. of License/ Approval/Permit	Date of Issuance	Expiration Date
1. Company				
Riyadh Chamber of Commerce	Chamber of Commerce Registration Certificate	4677	29/10/1397H (Corresponding to 12/10/1977G)	14/04/1448H (Corresponding to 25/09/2026G)
Ministry of Human Resources and Social Development	Nationalization Certificate	195734-17418444	15/04/1445H (corresponding to 30/10/2023G)	08/01/1448H (corresponding to 23/06/2026G)
Ministry of Human Resources and Social Development	Wage Protection Commitment Certificate	266471-20545140	20/10/1447H (corresponding to 08/04/2026G)	21/11/1447H (corresponding to 08/05/2026G)
GOSI	Certificate of Settlement of Social Insurance Liabilities	107095493	11/07/1447H (corresponding to 31/12/2025G)	22/11/1447H (corresponding to 09/05/2026G)
ZATCA	Tax Return Certificate	1117165865	07/10/1447H (Corresponding to 26/03/2026G)	28/11/1448H (Corresponding to 30/04/2027G)
ZATCA	VAT Registration Certificate	300110567500003	16/05/1440H (Corresponding to 22/01/2019G)	-
Saudi Post "SPL"	National Address	1082975311	12/10/1447H (Corresponding to 31/03/2026G)	14/04/1448H (Corresponding to 25/09/2026G)
Ministry of Municipalities and Housing	Commercial Activity License	451015383675	-	25/11/1450H (Corresponding to 09/04/2029G)
Ministry of Municipalities and Housing	Commercial Activity License	440310701611	-	14/03/1449H (Corresponding to 16/08/2027G)
Ministry of Municipalities and Housing	Cities Services Providers Classification Certificate	2024010819	28/03/1446H (Corresponding to 01/10/2024G)	20/04/1448H (Corresponding to 01/10/2026G)

Issuing Authority	Type of License/ Approval/Permit	No. of License/ Approval/Permit	Date of Issuance	Expiration Date
1. Company				
Saudi Contractors Authority	Contractor Membership Certificate	10001406	14/08/1447H (Corresponding to 02/02/2026G)	26/08/1448H (Corresponding to 03/02/2027G)
National Center for Environmental Compliance	Environmental Permit to carry out an activity in a specified area in Alshamli, Hail	OPWC-2023-000795	10/11/1444H (Corresponding to 30/05/2023G)	13/12/1447H (Corresponding to 30/05/2026G)
National Center for Environmental Compliance	Environmental Permit to carry out an activity in a specified area in Albaraka, Hail	OPWC-2023-000792	10/11/1444H (Corresponding to 30/05/2023G)	13/12/1447H (Corresponding to 30/05/2026G)
General Directorate of Civil Defense	Civil Defense License	1-00185102-46	24/09/1446H (corresponding to 24/03/2025G)	24/09/1452H (corresponding to 18/01/2031G)
Transport General Authority	Land Freight Transport License	11/00092184	20/04/1447H (corresponding to 12/10/2025G)	23/05/1450H (corresponding to 12/10/2028G)
Ministry of Industry and Mineral Resources – Deputy Ministry for Mineral Resources	Building Materials Quarry License for the Extraction of Crusher Materials (gravel)	W/34/587/101	06/04/1434H (corresponding to 12/02/2013G)	05/04/1444H (corresponding to 30/10/2022G)
Ministry of Industry and Mineral Resources – Deputy Ministry for Mineral Resources	Building Materials Quarry License for the Extraction of Crusher Materials (gravel)	W/717	18/03/1430H (corresponding to 15/03/2009G)	26/06/1442H (corresponding to 08/02/2021G)
Ministry of Industry and Mineral Resources – Deputy Ministry for Mineral Resources	Building Materials Quarry License for the Extraction of Crusher Materials (gravel)	W/33/2175/101	09/10/1433H (corresponding to 27/08/2012G)	22/01/1445H (corresponding to 09/08/2023G)

Source: The Company.

It is worth mentioning that the Company's licenses issued by the Ministry of Industry and Mineral Resources in relation to building materials quarries for the extraction of crusher materials (gravel) have expired. As the Company procures construction materials from specialized suppliers in this field, it does not consider it necessary to extract such materials from quarries on its own, nor does it consider these licenses to be material to conduct its business. Accordingly, the Company has not renewed these licenses as at the date of this Prospectus. It should also be noted that the Company may seek to renew such licenses if and when it becomes necessary to do so (for further details on the risks related to the renewal and issuance of licenses, please refer to Section 2.1.30 (*Risks Related to the Company's Inability to Renew the Necessary Licenses and Permits for its Business*)).

11.6 Material Agreements and Transactions

The Company is a party to a number of material agreements, contracts and transactions with various parties. This section presents a summary of the agreements, contracts and transactions which, in the opinion of the Company's Board of Directors, are material or significant in relation to the Company's business or may have an impact on investors' decision to subscribe for the Offer Shares. The summary of the agreements, contracts and transactions set out below does not purport to be complete and does not include all the terms and conditions of such agreements or the documents governing the Company's dealings with third parties. Accordingly, it should not be relied upon as a substitute for the full terms and conditions contained in such agreements or documents. Rather, it includes only those terms which may be material or significant to the Company's business and its continuity, or which may affect investors' decision to subscribe for the Offer Shares.

11.6.1 Company's Agreements with Clients

The Company considers all of its existing agreements with its clients as material agreements. As at 13/11/1447H (corresponding to 30/04/2026G), the number of valid agreements for construction works (primarily comprising EPC) and operation and maintenance agreements entered into by the Company with its clients amounts to 31 agreements, with a total value of SAR 23,080,771,483. The revenue generated by the Company's agreements with its clients represent almost all of the Company's revenues, except for certain other operating income arising

from, for example, the sale of old equipment. The revenue generated by the Company's agreements with its clients accounted for approximately 99.9%, 99.8%, 99.6%, and 99.9% for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the six-month period ended 30 June 2025G. Below is a summary of all existing agreements entered into by the Company with its clients:

11.6.1.1 Company's Agreements with Client (1)

The Company has entered into two engineering, procurement and construction agreements (EPC) with Client (1), a semi-governmental entity, pursuant to which the Company undertakes to perform EPC works in accordance with the details set out in the table below. Each agreement is effective from the date specified in the table below and shall remain in force until completion of the relevant projects and performance of the works falling within their respective scope, or until termination in accordance with the provisions of the relevant agreement.

In addition to customary termination provisions, either of these agreements may be terminated by the client at any time and for any reason at its sole discretion upon providing seven days' written notice. In such event, the client shall pay the Company for the works actually performed, together with any costs incurred by the Company, provided that such costs are reasonable and verifiable costs. Each agreement may also be terminated by the Company in the event that the client fails to fulfil its financial obligations in accordance with the provisions of the relevant agreement.

The client shall pay the Company a fixed lump-sum amount for the executed works (as set out in the table below), exclusive of VAT, and subject to increase or decrease in accordance with customary variations. The client shall settle the Company's interim payment certificates based on the relevant payment applications submitted by the Company on a quarterly basis, subject to the client's approval. The client may withhold up to ten percent of each payment until final payment and to secure the Company's compliance with its tax obligations under the relevant agreement. The Company is entitled to receive an advance payment upon execution of the relevant agreement in an amount equal to ten percent of the contract value, provided that such advance payment shall be repaid through deductions of ten percent from each approved interim payment certificate and that the Company furnishes a valid advance payment guarantee until the advance payment has been fully repaid. The Company is also required to provide a performance guarantee, as set out in the table below, within thirty days from the commencement of works and procurement. The value of such guarantee shall be equal to ten percent of the contract value and shall remain valid and enforceable until the issuance of the completion certificate.

Either party may submit variation requests in respect of the project design specifications (including quantities, quality standards and other specifications), which shall be subject to the client's approval. The Company may not subcontract all of the works and procurement under any agreement; however, it may subcontract part of such works and procurement upon obtaining the client's approval. The Company shall remain fully responsible for the acts of its subcontractors, their agents and employees. In all cases, the Company shall be required to terminate any subcontract if requested by the client. The Company may not assign or novate the relevant agreement, or amend its terms, without the client's prior approval. The client may assign or novate, in whole or in part, the relevant agreement. The client may also amend the terms of the relevant agreement, or transfer the relevant agreement to any of its affiliates, beneficiaries, or to any other party with comparable financial standing.

The Company's agreements with Client (1) include force majeure provisions in line with customary market practice. Under these provisions, the Company is entitled, in the event of a force majeure event, to request an extension of the delivery dates stipulated in the relevant agreements. However, the Company shall not be entitled to claim any refund of amounts paid or any increase in the contract value, unless otherwise agreed by the parties. Upon providing seven days' prior notice, either party may terminate the relevant agreement if the force majeure event lasts for a continuous period of one hundred and twenty days or an aggregate period of one hundred and eighty days.

The Company shall be subject to delay liquidated damages in the event it fails to complete any of the key project milestones within the specified timelines (set out in the table below). Such damages shall accrue on a daily basis, provided that the aggregate amount of such damages shall not exceed ten percent of the contract value. The Company is also obligated to remedy any defects and to bear all associated costs for a period of two years following the completion of the works and the procurement thereof, unless such defects arise from the client's actions or from a force majeure event. Failure by the Company to remedy such defects may result in the Company bearing the cost of repairs carried out by third parties, a reduction in the contract value, or termination of the relevant agreement. In addition, the Company shall remain liable for any inherent defects and any damages arising therefrom for a period of ten years from the date of issuance of the completion certificate.

The Company is required to comply with the applicable local content requirements in accordance with the relevant laws and regulations, with a target local content of thirty-five percent or more. Each responsible party shall

indemnify the other for any claims, damages, losses or costs arising from bodily injury, illness or death resulting from negligence, wilful misconduct, or breach of the relevant agreement. In addition, the Company shall indemnify the client for damage to or loss of property and shall rectify such damage or loss, where such damage or loss arises from the Company's performance of its obligations under the relevant agreement. The Company is also required to remedy defects resulting from the occurrence of certain risks, including wars and terrorist acts, and shall be entitled to claim compensation or an extension of the execution timeline in respect thereof. Each responsible party shall bear any losses related to the works, loss of profits, indirect losses, or consequential damages, except in cases of fraud, wilful breach, or grossly reckless misconduct. In all cases, the Company's aggregate liability towards the client shall not exceed the contract value, subject to customary limitations of liability.

The Company may not disclose any information or documents relating to the agreements without the client's prior approval, except in limited circumstances, including for compliance with: governmental requirements; and capital market and securities regulations. The Company may also disclose information or documents relating to the agreements without the client's prior approval if disclosure is required to subcontractors for the performance of the works and procurement relating to the relevant agreement; or if such information or documents are publicly available. The agreements are governed by the laws in force in the Kingdom of Saudi Arabia. In the event of a dispute, either party may issue a notice to the other party, pursuant to which senior representatives of both parties shall meet within fourteen days to discuss the dispute. If the dispute is not resolved within forty days, it shall be referred either to an expert or to arbitration, in each case in accordance with the provisions of the relevant agreement.

Set out below is a summary of the Company's agreements with Client (1):

Table 11.4: Summary of the Terms of the Company's Agreements with Client (1):

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Performance Guarantee	Delay Liquidated Damages
Design and Build Agreement for a Water Transmission System from Albid'e Main Tank to Lower Mountain and Visitor Center Tank Section, dated 15/01/2023G.	Includes: (1) designing, constructing, testing, and operating a potable water transmission system; and (2) constructing 3 pumping stations with a capacity of 96 million liters per day; (3) constructing two pumping stations with a capacity of one million liters per day; and (4) constructing six brake pressure tanks	730 days commencing from 22/06/1444H (corresponding to 15/01/2023G) until 15/07/1446H (corresponding to 15/01/2025G). The project has been extended pursuant to variation orders until 17/01/1447H (corresponding to 12/07/2025G). The Company is currently working on further extending the project duration to implement additional work orders issued by the client and certain changes to the previously approved project execution milestones.	SAR 1,430,000,000 (amended by variation orders to become SAR 1,449,901,536)	Provision of a performance guarantee to Client (1).	SAR 143,000 or SAR 286,000 (depending on the key milestones), capped at a maximum of 10% of the contract value.
Design and Build Agreement for the Water Transmission System from Gayal to the Albid'e tank and the pressure brake tank in Magna, dated 15/01/2023G.	Includes: (1) designing, constructing, testing, and operating a potable water transmission system; and (2) constructing a pumping system with a capacity of 210 million liters per day; and (3) a water tank with brake pressure tanks.	730 days commencing from 22/06/1444H (corresponding to 15/01/2023G) until 15/07/1446H (corresponding to 15/01/2025G). The project has been extended pursuant to variation orders until 03/11/1446H (corresponding to 01/05/2025). The Company is currently in the process of contractually extending the project duration to document the additional prior period during which work orders issued by the client were implemented and certain changes were made to the previously approved project execution milestones. The Company has also requested handover of the project and issuance of the provisional acceptance certificate.	SAR 784,800,000. (Amended by change orders to become SAR 804,799,618). It is expected that the contract value will be amended to SAR 828,351,276, as the Company has executed additional works at the request of the client	Provision of a performance guarantee to Client (1)	SAR 74,480 or SAR 156,960 (depending on the key milestones), capped at a maximum of 10% of the contract value

Source: The Company.

11.6.1.2 Company's Agreements with the Saudi Water Authority ("SWA")

The Company has entered into a number of EPC agreements with the Saudi Water Authority, pursuant to which the Company undertakes to perform EPC works within the periods set out in the table below.

In addition to customary termination provisions, any of these agreements may be terminated by the Saudi Water Authority if required for public interest. In such case, the Saudi Water Authority shall pay the Company for the works actually performed and accepted by the Saudi Water Authority, in addition to any equipment or material costs incurred by the Company prior to termination under the relevant agreement. In such circumstances, the Saudi Water Authority shall return the advance payment guarantee and the performance guarantee.

The Saudi Water Authority shall pay the Company a fixed lump-sum amount for the projects (as set out in the table below), inclusive of all costs but exclusive of VAT. The contract value shall be subject to increase or decrease as a result of changes in regulations relating to taxes and customs duties or changes in the prices of raw materials to the extent that such changes affect the executed works. The Company's interim payment certificates shall be paid based on the relevant payment applications submitted periodically by the Company to the Saudi Water Authority, which shall review and approve such applications and submit them to the Ministry of Finance. The Saudi Water Authority may withhold up to ten percent of each payment until final payment, which shall be paid to the Company upon completion of the works. The Company is required to provide a final guarantee, as set out in the table below, which shall remain valid and enforceable until the issuance of the completion certificate. The Saudi Water Authority may grant the Company an advance payment of up to 10% of the contract value, provided that the Company submits a valid advance payment guarantee, which shall remain in force until the advance payment has been fully repaid through equal deductions from each interim payment certificate.

The Saudi Water Authority may issue variation order notices in respect of the work specifications, which may result in changes to the contract value or duration. Any variation requests submitted by the Company shall be subject to the approval of the Saudi Water Authority. The Company may subcontract works and procurement up to 30% of the contract value upon obtaining the approval of the Saudi Water Authority. The Company may subcontract more than 30% and less than 50% of the contract value upon obtaining the prior approval of both the Expenditure and Projects Efficiency Authority and the Saudi Water Authority. In all cases, the Company shall remain responsible for subcontracted works. The Saudi Water Authority may make direct payments to subcontractors and deduct such amounts from any amounts due to the Company under the relevant agreement. The Saudi Water Authority may assign the relevant agreement to a company resulting from the privatisation of the Saudi Water Authority or for public interest purposes in accordance with the Government Tenders and Procurement Law. The Company may not amend, assign, novate or transfer the relevant agreement, in whole or in part, without obtaining the prior approval of the Saudi Water Authority and the Ministry of Finance.

The Company's agreements with the Saudi Water Authority also include force measure provisions in line with customary market practice. If either party is unable to perform its obligations due to a force majeure event, such failure shall not constitute a breach of the relevant agreement. In addition, the project milestones set out in the relevant agreements shall be automatically extended where delays are attributable to matters beyond the Company's control. However, if a force majeure event lasts for a continuous period of 60 days, the Saudi Water Authority shall be entitled to terminate the relevant agreement.

The Company shall be subject to delay liquidated damages in the event of its failure to complete the works within the specified timelines, as set out in the table below. Such damages shall be calculated based on the daily project cost rate and the number of days of delay. The Company will, for a period of not less than one year from the date of completion of the works, be obligated to remedy any defects that may appear in the works, excluding defects arising from use or routine maintenance. The Company shall also remain liable for any inherent defects or damages discovered after the issuance of the completion certificate, where such defects or damages arise from circumstances existing prior to the issuance of the completion certificate and could not have been discovered earlier. The Company further warrants the buildings and structures against total or partial collapse for a period of ten years from the date of issuance of the completion certificate.

The Company is required to comply with local content requirements in relation to its works and procurement of equipment in accordance with the applicable laws and regulations. The Company is also required to comply with the Local Content and Small and Medium Enterprises Preference Regulations and the Preference Rules for Listed Companies in Works and Procurement issued pursuant to Council of Ministers Resolution No. (245) dated 29/03/1441H. The Company shall be subject to penalties for local content violations amounting to 30% of the value of the non-compliant materials, and up to 10% of the contract value for other violations. The Company shall indemnify the Saudi Water Authority for any infringements of intellectual property rights relating to the works under the relevant agreement, unless such infringements result from the Saudi Water Authority's breach or negligence.

The Company shall also be liable to the Saudi Water Authority for any damages, claims, actions, proceedings, costs or expenses directly arising from any claim brought against, or incurred by, the Saudi Water Authority in connection with the Company's improper performance of the works, negligence, omission, refusal, improper action, breach of its contractual obligations, or violation of the applicable laws and regulations of the Kingdom. In addition, the Company shall be liable to third parties for any damages resulting from the Company's fault or breach in the performance of its works and shall indemnify the Saudi Water Authority for any damages or losses arising from the Company's failure to comply with health and safety requirements under the applicable laws and the relevant agreement.

The Company may not disclose any information or documents relating to the agreements without obtaining the prior approval of the Saudi Water Authority. These agreements are governed by the laws in force in the Kingdom of Saudi Arabia. Without prejudice to the powers of the committees formed pursuant to the Government Tenders and Procurement Law, any dispute arising out of or in connection with these agreements shall be referred to the administrative courts of the Kingdom.

The Company has obtained the approval of the Saudi Water Authority to disclose the agreements in the Prospectus on 25/01/1447H (corresponding to 20/07/2025G).

Set out below is a summary of the Company's agreements with the Saudi Water Authority:

Table 11.5: Summary of the Terms of the Company's Agreements with the Saudi Water Authority:

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Final Guarantee	Delay Liquidated Damages
Khobar–Al-Hofuf Water Transmission System Project Agreement (Phase II), Group (B + C), dated 17/03/2022G.	EPC Project of a water transmission system, including: (1) supplying pipes for the water transmission system; and (2) design and construct plants for the transmission system stations to supply water between the cities of Khobar and Al-Hofuf with a pumping capacity of approximately 500,000m ³ of water per day	548 days commencing from 09/09/1443H (corresponding to 10/04/2022G) until 25/03/1445H (corresponding to 10/10/2023G). The project was extended until 21/08/1446H (corresponding to 20/02/2025G). The provisional acceptance certificate was issued by the Saudi Water Authority in February 2025G, and the Final Acceptance Certificate is expected to be issued in May 2026G.	SAR 747,000,000, as amended pursuant to variation orders to become SAR 782,285,067	Provision of a final guarantee equal to 5% of the contract value	Up to 20% of the contract value
Ras Al-Khair–Riyadh Procurement and Execution for a Water Transmission System Agreement, dated 25/07/2024G.	Procurement and execution for a Water Transmission System -Ras Al-Khair–Riyadh (H&I) - Group (C2)	1,095 days commencing from 14/02/1446H (corresponding to 18/08/2024G) until 16/03/1449H (corresponding to 18/08/2027G).	SAR 448,000,000	Provision of a final guarantee equal to 5% of the contract value	Up to 20% of the contract value
Jubail Plant Technology and End-of-Life Assets Replacement Project Agreement (Capacity of 600,000 Cubic Metres), dated 10/03/2025G	Design and procurement works for the project to replace technologies and end-of-life assets of the Jubail station	Approximately 24 months commencing from 10/11/1446H (corresponding to 08/05/2025G) until 02/12/1448H (corresponding to 08/05/2027G).	SAR 2,040,000,000	Provision of a final guarantee equal to 5% of the contract value	Up to 20% of the contract value

Source: The Company

* It is worth noting that the Company has also executed and completed an urgent project for SWA comprised of constructing water filling stations at the Moghammas Mukarramah site, east of Makkah, for use during the Hajj season of 1446H. This was carried out pursuant to the commissioning letter issued by SWA on 30/10/1446H. The value of the works carried out by the Company is estimated at SAR 10,477,200.

11.6.1.3 Company's Agreements with the National Water Company

The Company has entered into a number of agreements with the National Water Company, including a framework agreement relating to the execution of future works in the City of Makkah Al-Mukarramah pursuant to work orders to be issued by the client from time to time as required (referred to in this section as the **"Framework Agreement"**), in addition to agreements relating to the execution of specific projects (referred to in this section as the **"Project Agreements"**). Set out below is a summary of the key terms of these agreements:

a. The Framework Agreement

The Company entered into a fixed-price agreement for the execution of water and wastewater network projects and their ancillary works in the Western Sector (City of Makkah Al-Mukarramah) on a unit price basis, dated 23/12/1446H (corresponding to 19/06/2025). Pursuant to this agreement, the Company undertakes to execute water and wastewater network projects and their ancillary works in accordance with work orders issued by the National Water Company during the term of the agreement, which is 36 months from the date of its execution. The Framework Agreement provides the general framework governing the terms and conditions applicable to work orders issued to the Company for the execution of specific works. Each work order issued to the Company specifies a defined execution period and the required work. Where the execution period of a work order exceeds the term of the Framework Agreement, the terms and conditions of the Framework Agreement shall continue to apply to such work order after the expiry of the agreement's term. The work orders may not be issued for geographical scope not covered under the agreement, and the aggregate value of work orders shall not exceed SAR 1,800,000,000 (exclusive of VAT). This cap is not binding on the National Water Company and may be amended based on work orders issued to the Company. Work orders issued pursuant to the Framework Agreement will include details regarding the materials, equipment, labour, and other services and requirements necessary to execute and complete the relevant works. The Company is also required to maintain fixed prices for goods and services listed in the price schedule attached to the Framework Agreement in the execution of work orders issued by the National Water Company.

Upon receipt of a work order, the Company is required to submit a project timeline detailing the sequence and method of execution. The Company is entitled payments for such work orders upon completion of the relevant milestones specified in such work orders. The Company submits monthly interim payment certificates to the National Water Company, which settles such amounts in instalments after deducting any penalties or other amounts due. The National Water Company may withhold up to 10% of the value of each payment until final payment, provided that the aggregate amount withheld does not exceed 10% of the total value of the relevant work order. The final payment is paid to the Company upon issuance of the provisional acceptance certificate for the relevant works.

The terms and conditions of the Framework Agreement are consistent in all material respects with the standard form contracts of the National Water Company entered into by the Company for the execution of specific projects (for further details, please refer to Section 11.6.1.3(A) *"Company's Agreements with the National Water Company"* of this Prospectus), except for the following provisions:

The National Water Company may terminate the Framework Agreement, in whole or in part, at its sole discretion upon providing 15 days' prior notice. In such case, the Company shall be entitled to receive payment for works completed up to the termination date, after deduction of any penalties or other amounts due to the National Water Company. The National Water Company may also terminate the agreement and liquidate the performance guarantee (which shall not exceed 5% of the agreement value), if the Company subcontracts the works without obtaining the prior written approval of the National Water Company, fails to remedy any breach of the work order within 15 days of receiving a notice of breach, engages in bribery, fraud or forgery directly or indirectly, or where performance of the works becomes impossible due to the continuation of a force majeure event.

The Company is required to comply with the local content requirements, such as the procurement of Saudi-manufactured products and equipment, and all imported products shall comply with Saudi-approved standards. Additionally, the following services shall be sourced from local Saudi entities: (i) transportation services for personnel and equipment, insurance, banking, property leasing and ownership, and catering and food supply services. Fines for violating the local content requirements shall not exceed 10% of the relevant work order price. The Company shall employ Saudi citizens in accordance with the minimum percentage required under the applicable regulations.

The Company shall be responsible for all losses and damages to persons or property arising from the execution of its works and for any related claims, including claims arising from any infringement of intellectual property rights relating to the works under the Framework Agreement.

b. Project Agreements

The Company has entered into a number of EPC agreements with the National Water Company pursuant to which the Company undertakes to execute the works within the periods set out in the table below. These agreements may be extended in accordance with applicable laws and regulations.

In addition to customary termination provisions, the National Water Company must terminate the relevant agreement if the Company: (1) delays commencing, slows progress of, or stops the works without remedying such breach within 15 days of notice; (2) commits a bribery violation in connection with the relevant agreements; (3) files or becomes bankrupt, proven insolvent, ordered into judicial protection, or is liquidated and dissolved; or (4) if the Company assigns the relevant agreement without the written consent of the National Water Company. The National Water Company shall pay the Company a fixed lump-sum amount for the executed construction works and the operation and maintenance works (as set out in the table below), inclusive of all costs but exclusive of VAT. The contract value shall be subject to increase or decrease pursuant to variation orders issued by the National Water Company in accordance with the relevant agreement.

The Company's interim payment certificates for construction works are paid based on completion, while operation and maintenance works are paid based on monthly invoices issued by the Company. The National Water Company may withhold 10% of the value of each interim payment certificate as retention money, until final payment, which shall be released upon completion of the required works. The Company is required to provide a performance guarantee, as set out in the table below, which shall remain valid and enforceable until completion of the works. At its discretion, the National Water Company may grant the Company an advance payment equal to 10% of the contract value, to be repaid through equal deductions from undisputed interim payment certificates for construction works, provided that the Company submits a valid advance payment guarantee that remains in force until the advance payment has been fully repaid.

The National Water Company may issue variation orders in respect of the works or any part thereof, which may result in changes to the agreement duration. Any such variations shall not result in an increase in the contract value exceeding 10% or a decrease exceeding 20%, and the Company is required to comply with such variations. The Company may not subcontract all of the works required but may subcontract part of the works subject to the approval of the National Water Company. The Company shall remain fully responsible for works subcontracted to subcontractors. The National Water Company may make direct payments to subcontractors and deduct such amounts from sums due to the Company if the Company fails to pay amounts due to them. The Company may not assign the agreements, any part thereof, or any rights or benefits arising therefrom without the prior written approval of the National Water Company and shall remain fully liable for any such assignment.

The Company's agreements with the National Water Company include force majeure provisions which require the Company to take all possible measures to complete the works, while entitling the National Water Company to terminate the relevant agreement. The National Water Company shall not be responsible for repairing or compensating any losses to works or materials arising from such risks, including war, natural disasters and similar events.

The Company shall be subject to delay liquidated damages if it fails to complete the works within the specified timelines, calculated based on the daily project cost rate and the number of days of delay, subject to the caps set out in the table below. The Company shall, for a period of not less than two years from the date of provisional acceptance certificate until final acceptance, remedy any defects in the works if caused by defective execution or maintenance, but excluding defects arising from use or routine maintenance. The Company shall also remedy any damage to the works resulting from its breach or negligence. In addition, the Company warrants the buildings and structures against total or partial collapse for a period of ten years where such collapse results from construction defects, in accordance with applicable regulations.

The Company is required to comply with local content requirements in accordance with applicable laws and regulations. Penalties for local content violations shall not exceed 10% of the value of the relevant agreement. The Company shall indemnify the National Water Company for any infringement of intellectual property rights relating to the works, unless such infringement results from the National Water Company's breach or negligence. The Company shall also be liable to the National Water Company for any damages, claims, actions, proceedings, costs or expenses (including legal costs) arising directly from claims brought against or incurred by the National Water Company in connection with the Company's improper performance, negligence, refusal, improper action, or breach of its contractual obligations according to the relevant agreement, or violation of applicable laws and regulations.

The Company may not disclose any information or documents relating to the agreements without obtaining the prior approval of the National Water Company, except as required by law. These agreements are governed by

the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom that is not resolved amicably in accordance with the relevant agreement shall be referred to the competent courts of the Kingdom.

The Company has obtained the approval of the National Water Company to disclose the agreements in the Prospectus on 15/11/1445H (corresponding to 23/05/2024G), 15/08/1447H (corresponding to 03/02/2026G), and 25/09/1447H (corresponding to 14/03/2026G).

Set out below is a summary of the Company's Project Agreements:

Table 11.6: Summary of the Terms of the Company's Agreements with the National Water Company

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Performance Guarantee	Delay Liquidated Damages
Design and Construction Agreement for the Third Ring Road Supply Project in Al-Kakiyyah Area, dated 02/04/2022G.	Design and execution Project for the Third Ring Road Supply Project in the Al-Kakiyyah area	Approximately 24 months from 27/09/1443H (28/04/2022G) until 19/10/1445H (28/04/2024G), extended by an additional 88 days until 21/06/1446H (27/07/2024). The provisional acceptance certificate was issued by the client in October 2024G, and the Final Acceptance Certificate is expected to be issued in October 2026G.	SAR 55,000,000	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Design and Construction Agreement for 400 mm Diameter Water Pipelines, dated 02/04/2022G.	EPC Project for pipelines and the northern tank on Al-Haramain Road in the Taiba neighborhood.	Approximately 36 months from 01/09/1443H (27/04/2022G) until 29/10/1446H (27/04/2025G). The provisional acceptance certificate was issued by the client in February 2025G, and the Final Acceptance Certificate is expected to be issued in May 2026G.	SAR 222,750,000 (as amended by a variation order to SAR 220,749,535.00)	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Agreement for Completion of a Water Pumping System for Centres and Towns in the Qassim Region, dated 16/07/2024G.	Completion of a water pumping system for centres and towns in the Qassim region	Approximately 36 months from 14/02/1446H (18/08/2024G) until 16/03/1449H (18/08/2027G)	SAR 120,339,563.38	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Agreement for the Project to Upgrade the Efficiency and Capacity of Al-Mashaer–Al-Muaissim (90) Tank, part of the "Second Phase of Main Distribution Pipelines Project in Mina", dated 24/12/1445H (30/06/2024G).	Execution and maintenance of the works and provision of labour, materials and equipment	Approximately 12 months from 28/12/1445H (04/07/2024G) until 09/01/1447H (04/07/2025G). The provisional acceptance certificate was issued by the client in May 2025G, and the Final Acceptance Certificate is expected to be issued in May 2026G.	SAR 78,440,000.00	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Agreement to Complete the Development of the Water Network in the city of Hail, dated 29/03/1446H (02/10/2024G).	Execution and maintenance of the works and provision of labour, materials and equipment	Approximately 36 months from 17/04/1446H (20/10/2024G) until 20/05/1449H (20/10/2027G)	SAR 132,350,000.00	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Design and Construction Agreement of the First Phase of the Treated Water Transmission Pipeline Project for King Abdullah Project to develop of Waad Al-Shamal City – Transmission Pipeline between Arar and Sakaka*.	Execution of works, provision of labour, materials and equipment, and operation and maintenance	(1) Approximately 16 months for construction works from 10/10/1438H (04/07/2017G) until 25/02/1440H (03/11/2018G), extended by an additional 37 months until 07/05/1443H (11/12/2021G). The provisional acceptance certificate was issued in December 2021G and the Final Acceptance Certificate in December 2022G in respect of construction works. (2) Approximately 44 months for operation and maintenance from the Taking-Over Date (07/05/1443H (11/12/2021G)) until 08/03/1446H (31/08/2025G). It should be noted that the Company continues to carry out the required operation and maintenance works in accordance with the provisions of the Agreement. The Company has submitted notices confirming the completion of the required operation and maintenance works and its readiness to hand over the site to the client. The site is expected to be handed over to the client once the operation and maintenance works for the upcoming period are awarded by the client to another contractor.	SAR 457,529,861 (as amended pursuant to variation orders and a court judgment to SAR 590,573,986.93**)	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Performance Guarantee	Delay Liquidated Damages
Design and Construction Agreement of construct the Second Phase of the Treated Water Transmission Pipeline Project for King Abdullah Project to Develop of Waad Al-Shamal City – Transmission Pipeline between Arar and Waad Al-Shamal.	Execution of works, provision of labour, materials and equipment, and operation and maintenance	(1) Approximately 16 months for construction works from 10/10/1438H (04/07/2017G) until 25/02/1440H (03/11/2018G), extended by an additional 37 months until 07/05/1443H (11/12/2021G). The provisional acceptance certificate was issued in December 2021 and the Final Acceptance Certificate in December 2022G in respect of construction works. (2) Approximately 44 months for operation and maintenance from the Taking-Over Date (07/05/1443H (11/12/2021G)) until 08/03/1446H (31/08/2025G). It should be noted that the Company continues to carry out the required operation and maintenance works in accordance with the provisions of the Agreement. The Company has submitted notices confirming the completion of the required operation and maintenance works and its readiness to hand over the site to the client. The site is expected to be handed over to the client once the operation and maintenance works for the upcoming period are awarded by the client to.	SAR 715,405,093.92 (as amended pursuant to a court judgment to SAR 724,248,743.69**)	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
Agreement for the Reconstruction and Replacement Project for the Main Circular Drinking-Water Transmission Pipelines in Makkah (Phase 3), in Accordance With the Recommendations of the Makkah General Plan Consultant, dated 10/04/1447H (02/10/2025G).	Execution and maintenance of the works and provision of labour, materials and equipment	Approximately 48 months from 01/05/1447H (23/10/2025G) until 15/06/1451H (23/10/2029G)	SAR 370,000,000	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
A Public Works Agreement to Construct the Main Water Transmission Pipelines from the Strategic Tanks Site to the Prophet's Mosque and the Development Area.....	Execution of works, provision of labour, materials, equipment, and services	Approximately 36 months from 20/04/1447H (12/10/2025G) until 23/05/1450H (12/10/2028G)	SAR 297,570,000	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)
A Public Works Agreement to Construct the Main sewer line (Mina-Al-Aziziya) from Mina area to the Arna wastewater treatment plant, serving Mina, Al-Aziziya, and Al-Awali aljadeeda area	Execution of works, provision of labour, materials, equipment, and services, and the execution of other necessary maintenance works.	Approximately 48 months from 16/08/1447H (corresponding to 04/02/2026G) to 16/08/1451H (corresponding to 04/02/2030G).	SAR 607,620,000	Provision of a performance guarantee equal to 5% of the contract value	Not exceeding 10% of the contract value (calculated based on the daily project cost rate and the number of days of delay)

Source: The Company

* These agreements are based on a previous National Water Company template, and the terms and conditions set out in these agreements do not materially differ from the terms and conditions set out in the current form except for the following: (i) the advance payment is set at 20% of the contract price as opposed to 10%; and (ii) the defects liability period concerning the proper execution of the works is limited to no less than one year as opposed to two years** The amounts reflected represent the final amount received by the Company for executing the scope of work under the relevant agreements and the variation orders (as applicable) in addition to the amounts awarded to the Company pursuant to a court order from the competent court, as the Company was compensated for the additional amounts it incurred due to the difference between the tender documents and what was required to carry out the project.

** It should be noted that a purchase order was issued by the National Water Company in the amount of SAR 25,617,050 in connection with these projects, as a result of the extension of the operation and maintenance period under the relevant agreements.

11.6.1.4 The Company's Agreement with Client (3)

The Company has entered into a EPC contract with Client (3), pursuant to which the Company undertakes to perform design, supply and construction works as a subcontractor to Client (3). The agreement is effective from 28/09/1442H (corresponding to 10/05/2021G) until 25/03/1445H (corresponding to 18/10/2023G). The Company has completed the works under this agreement and submitted an application to Client (3) for the issuance of the provisional acceptance certificate on 21/10/1445H (corresponding to 30/04/2024G). Client (3) issued the provisional acceptance certificate on 30/07/1447H (corresponding to 19/01/2026G), confirming the provisional acceptance of the project as at 22/10/1445H (corresponding to 01/05/2024G), and the final acceptance certificate is expected to be issued in July 2026G.

Client (3) is entitled, at its sole discretion, to request an extension of the agreement and an extension of the guaranteed provisional acceptance date. In addition to customary termination provisions, Client (3) may, at its sole discretion, terminate the agreement, in whole or in part, at any time upon giving written notice to the Company. In such case, Client (3) shall pay the Company for the works executed, in addition to any costs incurred by the Company as a result of such termination, provided that such costs are reasonable and do not exceed the contract value. The Company may also terminate the agreement if Client (3) fails to fulfil its payment obligations in accordance with the terms of the agreement.

Client (3) shall pay the Company a fixed lump-sum amount of SAR 804,000,000, subject to customary adjustments. It is expected that the contract value will be amended to SAR 888,821,429 following the issuance of variation orders in connection with additional works performed by the Company.

The Company submits monthly payment applications upon completion of specific works, and Client (3) pays the Company's interim payment certificates based on the relevant applications after deducting VAT, the relevant portion of the advance payment, and any other applicable deductions, and all payments are subject to the approval of Client (3). Client (3) is also entitled to set off or deduct from amounts payable to the Company any disputed amounts, amounts resulting from breach, defects in the execution of the works, or liquidated damages. Subject to the issuance of a notice to proceed, the Company's provision of an advance payment guarantee, performance guarantee, insurance policy and any other reasonably required documents, the Company is entitled to receive an advance payment equal to 10% of the contract value, to be repaid through deductions equal to 10% from the Company's interim payment certificates. If the advance payment has not been fully repaid prior to the provisional acceptance date or termination of the agreement, the outstanding balance of the advance payment shall become immediately due and payable by the Company. Within two weeks from the effective date specified in the notice to proceed, the Company is required to submit a performance guarantee equal to 25% of the contract value to secure completion of the works and payment obligations, which shall remain valid until 35 days following the issuance of the provisional acceptance certificate. Client (3) may also require the Company to provide a defects rectification guarantee equal to 5% of the contract value within 14 days of receiving such request, as a condition precedent to the issuance of the provisional acceptance certificate.

Client (3) may issue variation orders, at its sole discretion, in respect of the works, and may instruct the Company to modify, omit or add any part of the works prior to the provisional acceptance date. The Company is required to comply with such variations in accordance with the variation order, even if it objects thereto, and it shall submit such objection in accordance with the dispute submission mechanism set out in the agreement. The Company may not subcontract any part of the works or procurement without the prior approval of Client (3) and shall remain responsible for all works subcontracted. The Company may not assign or transfer the agreement without the approval of Client (3) and the project owner, whereas Client (3) may assign the agreement or any of its rights and interests thereunder without the Company's consent.

The agreement includes provisions relating to force majeure events in line with customary market practice. In the event of a force majeure occurrence, the Company is entitled to request an extension of delivery dates; however, the Company is not entitled to claim compensation for costs incurred as a result thereof or to seek an increase in the contract value unless otherwise agreed by the parties. Either party may terminate the agreement if a force majeure event lasts for a continuous period of 365 days, while Client (3) alone is entitled to terminate the agreement in cases of political force majeure.

The Company shall be subject to delay liquidated damages in the event it fails to complete and deliver the works by the guaranteed provisional acceptance date or prior, at a rate of USD 423,000 per day of delay, capped at 20% of the contract value. The Company is obligated to remedy any defects appearing in the works for a period of (12) months from the provisional acceptance date, extendable in certain circumstances up to a maximum of (36) months.

The Company is required to comply with local content requirement in accordance with applicable laws and regulations in respect of procurement, at a minimum of 40% of the contract value, and to fulfil local employment obligations in accordance with the provisions of the agreement. Penalties for non-compliance with local content requirements amount to USD 1,000,000 for each percentage point of shortfall, capped at USD 10,000,000. Each relevant party shall indemnify the other for any losses, damages, liabilities or costs arising from bodily injury, illness or death resulting from negligence, wilful misconduct or breach of the agreement. In addition, the Company shall indemnify for damages or losses to property, workplace injuries or unlawful acts committed by subcontractors. Each party shall be liable to the other for loss of profit, indirect losses or damages only in cases of fraud, abandonment of the works or wilful misconduct. The Company's aggregate liability to Client (3) shall not exceed the contract value, subject to customary liability limitations.

Neither party may disclose any information or documents relating to the agreement without the prior consent of the other party, except where required to comply with applicable laws, governmental requirements, or where such information is publicly available. The agreement is governed by the laws of England and Wales. In the event of a dispute, each party shall appoint a representative to seek amicable resolution. If the dispute is not resolved within 30 days, technical disputes shall be referred to an independent engineer, and non-technical disputes shall be referred to arbitration, in each case in accordance with the terms of the agreement.

11.6.1.5 The Company's Material Agreements with Riyadh Municipality

The Company has entered into one EPC agreement and two operation and maintenance agreements with the Riyadh Municipality, pursuant to which the Company undertakes to perform the works within the periods set out in the table below. These agreements may be extended in accordance with the provisions of the Government Tenders and Procurement Law.

Any of these agreements may be terminated by the Riyadh Municipality if the Company: (1) delays commencement, slows progress or stop the works, in any case, to such an extent that completion within the specified time becomes impossible; (2) abandons, assigns or subcontracts the works without Riyadh Municipality's approval; (3) breaches any of the terms of the agreements without remedying the breach after 15 days from receipt of notice thereof; or (4) commits a bribery offence in connection with the agreement.

The Riyadh Municipality shall pay the Company a fixed lump-sum amount, as set out in the table below. The Company is required to provide a performance guarantee equal to 5% of the contract value to secure performance of the works and the contractual obligations, which shall remain valid and enforceable until completion of the works and final handover. Interim payment certificates shall be paid to the Company at least on a monthly basis against executed works. The Company is entitled to receive an advance payment equal to 10% of the contract value, while it is entitled to an advance payment equal to 7.45% of the value of the Public Transport Routes Contract (as defined in the table below).

The Riyadh Municipality may issue variation orders in respect of the work specifications, which may result in changes to the contract value, provided that no variation order shall result in an increase in the contract value exceeding 10% or a decrease exceeding 20%. The Company may not subcontract the entirety of the works; however, it may subcontract part of the works subject to the approval of the Riyadh Municipality and shall remain fully responsible for any subcontracted works. The Company may not amend, assign, novate, or transfer the relevant agreement without the approval of the Riyadh Municipality and, where applicable, the Ministry of Finance.

In the event of war, the Company is required to take all possible measures to complete the works, and the Riyadh Municipality shall be entitled to terminate the relevant agreement. The Company shall not be liable for any loss or damage arising from certain risks such as war, occupation or similar events, and the Riyadh Municipality shall be responsible for remedying any losses to the works resulting from such risks.

The Company shall be subject to liquidated damages in the event of breach or failure to complete the works within the specified timelines, as set out in the table below. From the date of provisional handover until final handover, the Company is obligated to remedy any defects appearing in the works, excluding defects arising from use, unless such defects are attributable to errors in execution or maintenance. The Company shall repair, at its own expense, any defects arising from its negligence or breach of the agreement. The Riyadh Municipality is entitled to engage other contractors to complete the works or remedy defects at the Company's expense if the Company fails to do so.

The Company is required to comply with local content requirements applicable to its works, including the procurement of locally manufactured materials and equipment and refraining from using imported alternatives, as well as compliance with local content requirements relating to insurance, banking, catering, transportation and real estate rental services. The Public Transport Routes Contract imposes a minimum local content requirement of 49%.

The Company shall be liable to the Riyadh Municipality for any losses or damages arising from the execution of the works, and shall bear all claims, legal proceedings and associated costs. The Company shall not be liable for unavoidable losses or damages to neighboring easement rights, or for losses arising from the fault or negligence of the Riyadh Municipality. The Riyadh Municipality may engage third parties to perform works that the Company is unable to perform, at the Company's expense. The Company also warrants the buildings and structures against total or partial collapse for a period of ten years where such collapse results from defects in execution. In addition, the Company shall be liable for any damage or loss to existing systems and networks arising from the execution of its works under the relevant agreement. The Riyadh Municipality shall bear any losses incurred by the Company as a result of non-payment or delayed payment of amounts due to the Company.

These agreements are governed by the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the Board of Grievances in the Kingdom.

All agreements entered into with the Riyadh Municipality impose confidentiality obligations on the Company in respect of information and documents relating thereto, except for the agreement relating to the Completion, Engineering, Supply and Construction of Rainwater and Floodwater Drainage Channels and Networks and the Opening and Rehabilitation of Wadi As-Sulai Channel set out below, which does not impose similar confidentiality obligations.

The Company has obtained the approval of the Riyadh Municipality to disclose the agreements in the Prospectus on 20/09/1446H (corresponding to 20/03/2025G).

Set out below is a summary of the Company's agreements with the Riyadh Municipality:

Table 11.7: Summary of the Key Terms of the Company's Agreements with the Riyadh Municipality

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Final Guarantee	Delay Liquidated Damages
Completion, EPC Agreement Rainwater and Floodwater Drainage Channels and Networks and to Open and Develop Wadi As-Sulai Drainage basin (Phase III), dated 13/02/2024G.	EPC rainwater and floodwater drainage channels and networks and to open and develop Wadi As-Sulai drainage basin (Phase Three), which includes installing rainwater and floodwater drainage channels and networks, horizontal drilling works under Dammam Road, modifications, channel opening and debris removal.	Approximately 37 months from 22/09/1444H (corresponding to 13/04/2023G) until 17/12/1446H (corresponding to 13/06/2025G), extended until 20/11/1447H (corresponding to 07/05/2026G).	SAR 477,244,389	Provision of a final guarantee equal to 5% of the contract value	Up to 10% of the contract value
Maintenance and Improvement of the Quality of the Road, Safety, and Traffic Network Agreement in the Northern Sector Riyadh, dated 20/05/2024 G.	Maintenance and improvement of the road, safety, and traffic network in the northern sector of Riyadh. This includes curative and preventative asphalt maintenance works, painting works, earthworks maintenance, sidewalks, and safety measures.	Approximately 60 months from 18/12/1445H (corresponding to 24/06/2024G) until 12/02/1451H (corresponding to 24/06/2029G).	SAR 938,019,185	Provision of a final guarantee equal to 5% of the contract value	Up to 20% of the contract value
Operation, Maintenance and Cleaning of Public Transport Routes Agreement in Riyadh, dated 21/04/2025G ("Public Transport Routes Contract").	Operation, maintenance and cleaning of public transport routes in Riyadh.	Approximately 54 months from 29/03/1447H (corresponding to 21/09/2025G) until 17/11/1451H (corresponding to 21/03/2030G).	SAR 583,829,678	Provision of a final guarantee equal to 5% of the contract value	Penalties apply in accordance with the violation-specific provisions set out in the contract

Source: The Company

11.6.1.6 The Company's Agreements with the Royal Commission for Riyadh City

The Company has entered into a number of EPC agreements with the Royal Commission for Riyadh City, pursuant to which the Company undertakes to execute the works within the time periods set out in the table below. It should be noted that the date of site handover to the Company may precede the commencement date of execution, as indicated in the table below.

In addition to customary termination provisions, these agreements may be terminated by the Royal Commission for Riyadh City where required in the public interest.

Under the agreements, the Royal Commission for Riyadh City shall pay the Company a specified lump-sum amount, as set out in the table below. Such amount is subject to increase or decrease in accordance with changes to regulations relating to taxes and customs duties, or fluctuations in the prices of raw materials in certain specified cases. The Company submits periodic payment applications to the Royal Commission for Riyadh City based on the level of completion of the works. The Royal Commission for Riyadh City reviews and approves such applications and submits them to the Ministry of Finance for issuance of payment certificates. The Company is required to provide a final guarantee equal to 5% of the relevant agreement's value to secure the proper performance of the relevant works and satisfaction of the related contractual obligations. The performance guarantee must remain valid and enforceable until final handover. The Royal Commission for Riyadh City withholds 10% of the value of each interim payment certificate until final payment, which shall be paid to the Company upon completion of the works. The Royal Commission for Riyadh City may also grant the Company an advance payment of up to 10% of the agreement value, subject to the submission of an advance payment guarantee, which shall remain valid until the advance payment has been fully recovered through equal deductions from each interim payment certificate.

The agreements allow the Royal Commission for Riyadh City to issue variation orders relating to the scope and specifications of the works, which may result in changes to the agreement's value or duration, provided that such variations do not result in an increase of more than 10% or a decrease of more than 20% of the agreement's value. Any variation requests submitted by the Company however are subject to the approval of the Royal Commission for Riyadh City. The Company may subcontract works and procurement activities up to 30% of the agreement value after obtaining the Royal Commission for Riyadh City. Subcontractors may further subcontract works exceeding 30% and up to less than 50% of the agreement value, subject to obtaining the required approvals from the relevant governmental authorities. In all cases, the Company shall remain fully responsible for the works subcontracted. The Company may not assign or transfer the agreement, in whole or in part, without the prior written approval of the Royal Commission for Riyadh City and the Ministry of Finance.

The agreements also include force measure provisions in line with customary market practice. If either party is unable to perform its obligations due to a force majeure event, such failure shall not constitute a breach of the agreement. However, if the force majeure event lasts for a continuous period of 60 days, the Royal Commission for Riyadh City may terminate the agreement.

The Company shall be subject to delay penalties in the event of underperformance or failure to complete the works within the specified timelines, as set out in the table below. The Company is obligated, for a period of not less than 12 months from the date of issuance of the provisional acceptance certificate until final handover, to remedy any defects that may arise. If the Company fails to perform such remedial works, the Royal Commission for Riyadh City shall be entitled to carry out the necessary repairs at the Company's expense. In addition, the Company guarantees buildings and structures against total or partial collapse for a period of ten years, if such collapse is attributable to construction defects.

The Company is required to comply with local content requirements applicable to its works in accordance with applicable laws and regulations, and to grant a 10% preference in favor of local products, including in subcontracting. The Company may be subject to penalties for violations of local content requirements of up to 30% of the value of the non-compliant materials, or up to 20% of the agreement value for other violations. The Company also bears responsibility for any damage, claims, actions, costs, or expenses incurred as a result of any claim brought against, or borne by, the Royal Commission for Riyadh City arising from poor performance of the works, negligence, omission, refusal, misconduct by the Company, breach of its contractual obligations, or violation of applicable laws and regulations of the Kingdom. Furthermore, the Company remains liable to third parties for any damages resulting from its failure to properly execute the works, as well as for any damages or losses occurring after final handover that are attributable to the Company and relate to inherent defects that were not discoverable.

The Company may not disclose any information or documents relating to these agreements without obtaining the prior approval of the Royal Commission for Riyadh City. These agreements are governed by the laws in force in the Kingdom of Saudi Arabia, and any disputes arising therefrom shall be subject to the jurisdiction of the administrative courts in the Kingdom.

The Company has obtained the approval of the Royal Commission for Riyadh City to disclose the agreements in the Prospectus on 15/05/1447H (corresponding to 06/11/2025G).

Table 11.8: Summary of the Terms of the Company's Agreements with the Royal Commission for Riyadh City

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Final Guarantee	Delay Liquidated Damages
EPC Project Agreement for a Water Treatment Plant for the Green Riyadh Program (Phase IV), dated 18/10/1444H (08/05/2023G)	Procurement and installation of carbon steel pipes with 1,800 mm diameter and 4 km in length, and a carbon steel pipeline of 1,400 mm diameter and 7 km in length of, including all rooms and annexures	Approximately 30 months from 03/12/1444H (21/06/2023G) to 15/12/1445H (21/06/2024G), extended to 29/06/1447H (20/12/2025G). The Company also requested project handover and issuance of the provisional acceptance certificate. Pending the client's completion of the necessary procedures for issuing the provisional acceptance certificate.	SAR 210,667,000 (amended pursuant to variation orders to SAR 197,087,668.70)	Provision of a final guarantee equal to 5% of the agreement value	Up to 20% of the agreement value
Agreement for the Execution of Operational Facilities for the Treated Water Network for the Green Riyadh Program at Heet Water Treatment Plant, dated 03/06/1446H (06/10/2024G)	Execution of operational facilities project for the treated water network of the green Riyadh program at Heet water treatment plant	Approximately 18 months from 01/05/1446H (03/11/2024G) to 16/11/1447H (03/05/2026G).	SAR 516,100,000	Provision of a final guarantee equal to 5% of the agreement value	Up to 20% of the agreement value
Agreement for the Execution of the Treated Water Network of the Green Riyadh Program (Group 16) dated 06/04/1446H (09/10/2024G)	Execution of the treated water network project of the Green Riyadh Program (Group 16)	Approximately 20 months from 01/05/1446H (03/11/2024G) to 18/01/1448H (03/07/2026G).	SAR 669,962,365	Provision of a final guarantee equal to 5% of the agreement value	Up to 20% of the agreement value

Source: The Company

11.6.1.7 The Company's Agreements with Client (4), Client (5) and Client (6)

The Company has entered into a set of EPC agreements with a consortium of companies (the "**Consortium Members**"). Such agreements were subsequently assigned by the Consortium Members to other entities, as set out in the table below (each such assignee is referred to individually in this section as a "**Project Company**" and collectively as the "**Project Companies**"). The Company, together with certain Consortium Members, performs the relevant EPC works under the agreements (the Consortium Members responsible for carrying out such works together with the Company are referred to in this section as the "**Contractor**"). Pursuant to these agreements, the Contractor undertakes to execute the EPC works as set out in the table below. Each agreement remains in force from the relevant commencement date specified in the table below until completion or termination of the relevant project.

In addition to customary termination provisions, any of these agreements may be terminated by the relevant Project Company at any time upon 30 days' written notice, provided that the related wastewater treatment agreement has been terminated first, and subject to the Project Company compensating the Contractor for works performed and termination costs incurred, provided that such costs shall not exceed an amount equal to 5% of the value of the relevant agreement.

Each Project Company shall pay the Contractor, in respect of each project, a fixed lump-sum amount as set out in the table below, inclusive of all execution, rectification, taxes, fees and other costs, but excluding VAT. Such amount is subject to customary adjustments. The Contractor submits monthly interim payment certificates based on completed project milestones. The Project Company is entitled to withhold: (1) payment certificates relating to

defective works until such defects are remedied; and (2) payment certificates corresponding to amounts owed to the Project Company, subject to providing the Contractor with 5 business days' prior notice. The Contractor is entitled to an advance payment equal to 2% of the contract value within 5 business days from the commencement date, subject to submission of an advance payment guarantee at least 7 days prior to the scheduled commencement date. The advance payment guarantee must remain valid until full recovery of the advance payment through deductions from interim payments. In all cases, the aggregate amount of the advance payment and any early work payments shall not exceed 2% of the contract value. The Contractor is also required to provide a performance guarantee to the Project Company no later than 5 days prior to the scheduled commencement date, as set out in the table below. The performance guarantee shall remain valid until 30 days after the final acceptance date and constitutes a condition precedent to the Project Company's payment obligations. The value of the guarantee may be increased proportionately by increments of 5% of the contract value. In addition, the Contractor's obligations must be secured by a joint and several parent company guarantees issued by the parent company of one of the Contractor entities, with liability capped at 100% of the contract value, subject to the Contractor's liability limitations.

The Project Company may issue variation orders in respect of the works specifications, and the Contractor may request adjustments to the contract value or duration accordingly, subject to approval by the Project Company. The Contractor may subcontract all or part of the works subject to the relevant Project Company's approval, or without approval where the subcontracted work is valued to be less than USD 5,000,000 or where the subcontractor is pre-approved. The Contractor remains fully responsible for all subcontracted works, and the actions of its agents and employees. Neither party may assign or transfer the agreement or any part thereof; however, a company forming the Contractor may assign the agreement for the purposes of creating a security interest, provided that the contracting parties are to create security purposes upon notice to the contracting parties.

The agreements also include force majeure provisions in line with customary market practice, pursuant to which, the Contractor may request extensions to delivery schedules in the event of a force majeure event. The relevant Project Company is entitled to terminate the agreement with immediate effect if a force majeure event continues for a period of 365 days.

The Contractor is subject to liquidated damages if provisional acceptance is not achieved by the scheduled provisional acceptance date, in addition to other execution-related penalties. Delay liquidated damages shall not exceed 15% of the contract value, execution penalties shall not exceed 10% of the contract value, and the aggregate amount of all penalties shall not exceed 20% of the contract value. Delay penalties are calculated based on the daily project cost rate and the number of days of delay. The Contractor further warrants the works against defects for a period of 12 or 24 months, depending on the scope of work. Where any works are repaired, replaced or renewed during the warranty period, the warranty may be extended for an additional period of up to 36 or 48 months, as applicable.

The Contractor is also required to comply with applicable local content regulations and to achieve a minimum local content target of 40%. If the Contractor fails to achieve its local content target, it must provide notice of such failure and pay liquidated damages equal to the lower of SAR 3,750,000 for each percentage point of shortfall or SAR 37,500,000. The Contractor is required to give preference to the use of construction equipment and material produced and manufactured in the Kingdom. In addition, the Contractor will employ qualified Saudi Arabian citizens to the maximum extent possible and, at the very least, in accordance with Council of Ministers Resolution No. 50 of 1994 regarding Saudization and other applicable regulations. Compliance with Saudization requirements is subject to annual verification and may be extended to subcontractors. Each party shall indemnify the other against claims, damages, losses and expenses (including legal costs) arising from bodily injury, illness or death attributable to negligence, misconduct or breach of the relevant agreement. The Contractor shall indemnify the Project Company and its affiliates against claims arising from non-compliance with legal requirements. Each entity comprising the Contractor shall be jointly and severally liable to the Project Company for any act, omission, breach, default, negligence, misconduct, or fraud by the Contractor. Neither party shall be liable to the other for any special, incidental, indirect, or consequential loss or damage, except in cases of fraud, breach of agreement, penalties, willful default, misconduct, or other customary exclusions from liability limitations. The Company's aggregate liability to the Project Company shall not exceed the value of the relevant agreement, subject to customary liability caps.

Confidentiality obligations apply to all agreements, and neither party may disclose any information or documents relating to the agreements without the prior consent of the other party, except in limited circumstances, including compliance with governmental requirements, disclosures to subcontractors engaged by the Company for the performance of the works, disclosures to affiliates, disclosures necessary to legal, financial, or technical advisers for financing purposes, or disclosures required under market and securities regulations in the event of the listing of the Company's shares. These agreements are governed by the laws of England and Wales. In the event of a dispute, either party may serve a notice requiring senior representatives of both parties to meet to discuss the dispute. If the dispute is not resolved within 28 days, it shall be referred to either expert determination or arbitration, in accordance with the provisions of the relevant agreement.

Set out below is a summary of the Company's agreements with Client (4), Client (5) and Client (6):

Table 11.9: Summary of the Terms of the Company's Agreements with Client (4), Client (5) and Client (6)

Agreement Title and Date	Assignment of the Agreement	Agreement Scope of Work	Agreement Duration	Agreement Value (Excluding VAT)	Performance Guarantees	Delay Liquidated Damages
EPC Project Agreement for the Independent Sewage Treatment Plant Project between the Contractor and Consortium Members dated 27/10/2021G	The agreement was assigned in favor of the Client (4) pursuant to the assignment agreement executed by the Consortium Members on 15/02/2022G	EPC of an independent sewage treatment plant in Al-Madinah Al-Munawwarah with a capacity of 200,000 cubic meters per day	Approximately 32 months commencing on 21/06/1443H (24/01/2022G) until 28/03/1446H (01/10/2024G). The Company has requested an extension of the project duration for an additional 25 months until 20/05/1448H (31/10/2026G)	The Company's share of the agreement value amounted to USD 61,524,400 (equivalent to SAR 230,716,500), which was reduced to USD 53,620,417 (equivalent to SAR 201,076,564). The value was subsequently increased by SAR 25,000,000, bringing the total to SAR 226,076,564	Performance guarantee equal to 20% of the agreement value	USD 146,222 (equivalent to SAR 548,332.5) for each day of delay
EPC Project Agreement for an Independent Sewage Treatment Plant Project in City of Buraidah Between the Contractor and Consortium Members dated 27/10/2021G	The agreement was assigned in favor of the Client (5) pursuant to the assignment agreement executed by the Consortium Members on 15/02/2022G	EPC Project for an independent sewage treatment plant in City of Buraidah with a capacity of 150,000 cubic meters per day	Approximately 32 months commencing on 21/06/1443H (24/01/2022G) until 28/03/1446H (01/10/2024G). The Company is in the process of extending the contractual duration to document the additional period during which supplementary works were executed. The provisional acceptance certificate was issued in December 2025G, confirming the provisional acceptance of the project as at June 2025G. The final acceptance certificate is expected to be issued in June 2027G.	The Company's share of the agreement value amounted to USD 63,755,200 (equivalent to SAR 239,082,000), which was reduced to USD 61,445,867 (equivalent to SAR 230,422,001)	Performance guarantee equal to 20% of the agreement value	USD 183,528 (equivalent to SAR 688,230) for each day of delay

Agreement Title and Date	Assignment of the Agreement	Agreement Scope of Work	Agreement Duration	Agreement Value (Excluding VAT)	Performance Guarantees	Delay Liquidated Damages
EPC Project Agreement for the Independent Sewage Treatment Plant Project in Tabuk City between the Contractor and Consortium Members dated 27/10/2021G	The agreement was assigned in favor of the Client (6) pursuant to the assignment agreement executed by the Consortium Members on 15/02/2022G	EPC Project for of an independent sewage treatment plant in Tabuk City with a capacity of 90,000 cubic meters per day	Approximately 32 months starting from 21/06/1443H (corresponding to 24/01/2022G) until 28/03/1446H (corresponding to 01/10/2024G). The project is being extended to officially document the additional period during which certain previously completed supplementary works were carried out. The provisional acceptance certificate was issued in December 2025G, confirming the provisional acceptance of the project as at June 2025G. The final acceptance certificate is expected to be issued in June 2027G.	The Company's share of the agreement value amounted to USD 38,271,067 (equivalent to SAR 143,516,501), which was reduced to USD 35,151,050 (equivalent to SAR 131,816,438)	Performance guarantee equal to 20% of the agreement value	USD 183,528 (equivalent to SAR 688,230) for each day of delay

Source: The Company

11.6.1.8 The Company's Agreement with the Ministry of Transport and Logistics Services

The Company has entered into an operation and maintenance agreement with the Ministry of Transport and Logistics Services, pursuant to which the Company undertakes to perform road maintenance works for Jeddah – Rabigh – AlMadinah AlMonawarah roads – in Makkah AlMukarramah region. (Contract No. 304). The agreement is effective from 21/09/1447H (corresponding to 10/03/2026G) until 21/09/1451H (corresponding to 10/03/2031G).

The Ministry of Transport and Logistics Services is required to terminate this agreement if the Company: (1) engages in bribery, deception, fraud, forgery, or manipulation; (2) becomes bankrupt, applies for a declaration of bankruptcy, is proven to be insolvent, is placed under receivership, has a judicial trustee appointed over any of its assets, or is liquidated or dissolved; or (3) assigns the agreement without obtaining the approval from the Ministry of Transport and Logistics Services and the Ministry of Finance. The Ministry of Transport and Logistics Services may terminate this agreement if the Company: (1) delays the commencement of the works, slows progress, or breaches any of the agreement's provisions without remedying such breach within 15 days of receiving notice; or (2) subcontracts the performance of the agreement without the approval of the Ministry of Transport and Logistics Services.

The Ministry of Transport and Logistics Services shall pay the Company a fixed amount of SAR 123,052,856 for the execution of the works, inclusive of all execution costs, taxes, and fees but excluding VAT. Such amount is subject to increase or decrease based on the works executed by the Company in accordance with the terms of the agreement and the Government Tenders and Procurement Law. The Company's interim payment certificates shall be paid based on monthly payment applications submitted by the Company in accordance with the works completed and subject to the approval of the Ministry of Transport and Logistics Services.

The Company is required to provide a final guarantee equal to 5% of the agreement's value, to secure the performance of its obligations. The performance guarantee shall remain valid and enforceable until final handover and shall be reduced annually based on the volume of works completed, provided that it shall not be reduced below 5% of the value of the remaining works.

The Ministry of Transport and Logistics Services may issue variation orders in respect of the specifications of the works in accordance with the terms of the agreement, provided that any such variation does not result in an increase in the agreement's value of more than 10% or a reduction of more than 20%. The Company may subcontract works and procurements up to 30% of the agreement's value subject to the approval of the Ministry of Transport and Logistics Services. Subcontracting in excess of 30% and up to 50% of the agreement's value requires the approval of both the Expenditure and Projects Efficiency Authority and the Ministry of Transport and Logistics Services. The Company shall remain fully responsible for any works subcontracted. Subject to the Government Tenders and Procurement Law, the Company may not assign the agreement or any part thereof without the prior approval of the Ministry of Transport and Logistics Services and the Ministry of Finance.

The Company's agreement with the Ministry of Transport and Logistics Services includes force majeure provisions in line with customary market practice, whereby the failure of either party to perform its obligations due to a force majeure event shall not constitute a breach of the agreement. However, if the force majeure event continues for a period of 60 consecutive days, the Ministry of Transport and Logistics Services may terminate the agreement, subject to obtaining the Company's consent.

Without prejudice to the Ministry of Transport and Logistics Services' right to claim compensation for any damages or losses incurred, the Company shall be subject to financial penalties not exceeding 20% of the agreement's value in the event of breach of its obligations or failure to complete and deliver the works within the specified time. It should be noted that, even after the issuance of the final acceptance certificate, the Company shall remain liable for any defects or losses arising from its execution of the works if such defects or losses result from an earlier event for which the Company was responsible and which could not reasonably have been discovered. Except as stated above, the Company shall not be liable for any further losses after the Ministry of Transport and Logistics Services' acceptance of the works and issuance of the final acceptance certificate.

The Company is required to comply with local content requirements relating to its works and the supply of materials in accordance with applicable laws, regulations, and the local content requirements set out in the relevant tender documents. The Company shall also comply with the Local Content and Government Procurement Authority's regulations regarding the preference of local content, local small and medium enterprises, and companies listed on the financial market issued pursuant to Council of Ministers Resolution No. (245) dated 29/03/1441H. The Company shall be subject to penalties for local content violations equal to 30% of the value of the non-compliant materials, capped at 20% of the agreement's value in aggregate. The Company shall bear full responsibility toward the Ministry of Transport and Logistics Services for any loss or damage (including any consequential claims or costs) suffered by persons or property arising out of or in connection with the execution of the works due to the Company's breach of its obligations or failure to coordinate with the Ministry of Transport and Logistics Services.

The Company may not disclose any information or documents relating to the agreement without the prior approval of the Ministry of Transport and Logistics Services. This agreement is governed by the laws in force in the Kingdom, including the Government Tenders and Procurement Law. Without prejudice to the jurisdiction of committees formed under the Government Tenders and Procurement Law, any dispute arising out of the agreement shall be referred to the administrative courts of the Kingdom.

The Company obtained the approval of the Ministry of Transport and Logistics Services to disclose the agreement in the Prospectus on 20/11/1447H (corresponding to 07/05/2026G).

11.6.1.9 The Company's Agreement with Client (2)

The Company has entered into two engineering, procurement and construction agreements (EPC) with Client (2), a semi-governmental entity, pursuant to which the Company undertakes to perform EPC works in accordance with the details set out in the table below. Each agreement is effective from the date specified in the table below and shall remain in force until completion of the relevant projects and performance of the works falling within their respective scope, or until termination in accordance with the provisions of the relevant agreement.

In addition to customary termination provisions, any of these agreements may be terminated by the client for public interest or poor performance of services. Upon such termination for public interest, the client will be entitled to retain an amount equal to the value of the performance guarantee.

The client shall pay the Company a fixed lump-sum amount (as set out in the table below), exclusive of VAT, and subject to customary adjustments based on the changes in the scope of work. The Company is required to submit payment applications on a monthly basis or upon completion of portions of the works. The client may deduct up to 5% of the value of each interim payment certificate to form a retention guarantee, which shall be paid to the Company upon final handover of the project. As to the agreement dated 14/03/1446H (corresponding to 18/09/2024G), the

Company is entitled to receive an advance payment equal to 10% of the contract value, provided that it submits an advance payment guarantee issued by a bank accredited by the Saudi Central Bank. Such advance payment guarantee must remain valid for a period of not less than 24 months from the commencement date of the works.

Pursuant to the agreement dated 14/03/1446H (corresponding to 18/09/2024G), the client may, at its sole discretion, issue variation orders at any time in relation to the works, directing the Company to amend, omit, add to, or otherwise change the works or any part thereof, which may result in an increase or decrease in the contract value. As to the agreement dated 20/09/1447H (corresponding to 09/03/2026G), the client may issue variation orders in respect of the specifications of the works in accordance with the terms of the agreement, provided that any such variation does not result in an increase in the agreement's value of more than 25% or a reduction of more than 20%. The Company may not subcontract, assign, or transfer the works or any part thereof without the client's prior written consent. In all cases, the Company remains responsible for the acts, omissions, or defaults of its subcontractors.

The agreements also include force majeure provisions in line with customary market practice, providing that any delay by the Company in performing its obligations shall not constitute a breach of the agreements if such delay is attributable to a force majeure event.

The Company shall be subject to delay penalties in the event of failure to perform its obligations on time, as set out in the table below, calculated based on the duration of the delay. The Company is also required to provide a warranty for the works for a period of not less than one year from the date of initial handover.

It should be noted that the Company is required to give preference to local products and comply with the Local Content and Small and Medium Enterprises Preference Regulations and the Preference Rules for Listed Companies in Works and Procurement issued pursuant to Council of Ministers Resolution No. (245) dated 29/03/1441H, as amended with respect to the agreement dated 14/03/1446H (corresponding to 18/09/2024G). The Company must also comply with the local content requirements set out in Council of Ministers Resolution No. (658) dated 22/11/1443H, in relation to the agreement dated 20/09/1447H (corresponding to 09/03/2026G). If the Company fails to achieve the targeted local content percentage, it shall compensate the client amount equal to the targeted local content percentage minus the percentage actually achieved, multiplied by 10%, multiplied by the price of the agreement dated 14/03/1446H (corresponding to 18/09/2024G). As to the agreement dated 20/09/1447H (corresponding to 09/03/2026G), if the Company fails to achieve the targeted local content percentage, it shall compensate the client in an amount equal to the targeted local content percentage minus the percentage actually achieved, multiplied by 30%, multiplied by the agreement price. The Company bears full responsibility for the works and for any damages arising from any violation or breach of applicable laws. The Company is also liable to compensate third parties for damages resulting from its failure or negligence in performing its contractual obligations, provided that such liability shall not exceed the value of the agreement.

The agreements contain confidentiality provisions applicable to all non-public information and documents arising from or relating to the agreements. Accordingly, the Company may not disclose such information or documents, in whole or in part, without the client's prior approval, except where disclosure is required by the competent authorities or pursuant to applicable laws and regulations. These agreements are governed by the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts in Riyadh, Kingdom of Saudi Arabia, or to arbitration, in accordance with the terms of the agreements.

Set out below is a summary of the Company's agreements with Client (2):

Table 11.10: Summary of the Terms of the Company's Agreements with Client (2)

Agreement Title and Date	Agreement Scope of Works	Term of the Agreement	Contract Value (exclusive of VAT)	Final Guarantee	Delay Liquidated Damages
EPC Project Agreement for a project in Al-Ula dated 14/03/1446H (corresponding to 18/09/2024G), as amended on 28/04/1447H (corresponding to 20/10/2025G), and further amended on 13/10/1447H (corresponding to 01/04/2026G).	Procurement and construction of a water transmission system, including pipelines, pumping stations, storage facilities and associated infrastructure.	Approximately 18 months commencing from 14/03/1446H (corresponding to 18/09/2024G) until 12/10/1447H (corresponding to 31/03/2026). The Company also requested project handover and issuance of the provisional acceptance certificate. Pending the client's completion of the necessary procedures for issuing the provisional acceptance certificate.	SAR 228,953,512	Provision of a final guarantee equal to 5% of the agreement value	Not exceeding 10% of the contract value
EPC Project Agreement for a project in Al-Ula dated 20/09/1447H (corresponding to 09/03/2026G)	Procurement and construction for the expansion of an existing wellfield system, including wells, reservoirs, pumping systems and associated infrastructure.	Approximately 12 months commencing from 20/09/1447H (corresponding to 09/03/2026G) until 20/09/1448H (corresponding to 27/02/2027G).	SAR 139,500,000	Provision of a performance guarantee equal to 5% of the agreement value	Not exceeding 20% of the contract value

11.6.1.10 The Company's Agreement with Al-Haer Environmental Services Company

The Company entered into an EPC agreement with Al-Haer Environmental Services Company, pursuant to which the Company undertakes to perform the EPC works, in cooperation with VA Tech Wabag Limited (together with the Company to be referred to in this section as the "Contractor"), for a wastewater treatment plant project in Riyadh with a capacity of 200,000 cubic meters per day, in addition to other facilities (for drainage and treatment of wastewater) belonging to a governmental entity. The agreement is effective as at 16/11/2024G, and the works are expected to be completed by 01/07/1448H (corresponding to 10/12/2026G).

In addition to customary termination provisions, the agreement does not permit either party to terminate the agreement unilaterally.

Al-Haer Environmental Services Company shall pay the Contractor a fixed total amount of SAR 1,392,518,213 (of which the Company's share amounts to SAR 655,268,213), exclusive of VAT and subject to increase or decrease in accordance with customary variations. Al-Haer Environmental Services Company shall make payments to the Company based on payment applications submitted by the Company on a monthly basis or upon completion of a specified portion of the works. Al-Haer Environmental Services Company is required to provide the Contractor with an advance payment equal to 4% of the contract value, provided that an advance payment guarantee remains valid until completion of the works. The Contractor is entitled to claim an amount equal to 10% of the advance payment guarantee from the portion of the contract value allocated to completed works in accordance with the works schedule attached to the agreement. Al-Haer Environmental Services Company is also entitled to withhold 5% of the value of each interim payment due to the Contractor to ensure the Contractor's performance. The Contractor is required to provide a retention guarantee equal to 5% of the expected payment due for the three months following the commencement date, with the retention amount increasing by 5% every three months. In addition, the Contractor must provide a performance guarantee equal to 15% of the contract value, which shall be reduced to 10% as at the commissioning date. The performance guarantee must remain valid until thirty days following the expiry of the warranty period. The Contractor must also provide a bank guarantee in the amount of SAR 37,500,000 to guarantee compliance with local content requirements, which must remain valid from the notice to proceed until thirty days following the commissioning date. All guarantees provided by the Contractor must be issued by international banks.

It should be noted that the Contractor may submit variation orders subject to the approval of Al-Haer Environmental Services Company, which may result in changes to the contract value or duration. The Contractor may subcontract

the works without obtaining prior written approval from Al-Haer Environmental Services Company, except for subcontracted works exceeding USD 5,000,000 in value, in which case the subcontractor must be selected from the options listed in the schedule attached to the agreement. The Contractor remains fully responsible for any works performed by subcontractors. No party may assign the works or any part thereof without the prior written consent of the other party.

The agreement also includes force majeure provisions in line with customary market practice, providing that delays in performance by the party affected by a force majeure event shall not constitute a breach of the agreement, provided that written notice is given to the other party within seven days of becoming aware of the occurrence of the force majeure event.

The Contractor shall be subject to financial penalties in the event of breach or failure to complete the works within the specified time. The Contractor is required to pay delay penalties not exceeding 15% of the contract value in the event of delay in execution, and penalties not exceeding 10% of the contract value in the event of defective performance, provided that the aggregate penalties shall not exceed 20% of the contract value. In addition, the Contractor is required to pay penalties relating to local content violations in an amount not exceeding SAR 37,500,000, and penalties relating to negligent performance equal to the value of the performance guarantee as at the date of negligence. The Contractor shall be liable for defects in the works for a period of 12 months or 24 months following the commissioning date, depending on the commissioning date applicable to each facility specified in the agreement. Al-Haer Environmental Services Company is entitled to remedy such defects at the Contractor's expense if the Contractor fails to do so. The Contractor shall also remain liable for latent defects for a period of 60 months or 10 years following the commissioning date, depending on the commissioning date applicable to each facility specified in the agreement. The Contractor further warrants the buildings and structures against total or partial collapse for a period of ten years following the commissioning date.

The Contractor is required to comply with local content requirements relating to the employment of Saudi nationals in accordance with Council of Ministers Resolution No. (50) of 1994G and any other applicable laws or regulations. Employment requirements must be reviewed annually and may extend to subcontractors. The Contractor is required to indemnify Al-Haer Environmental Services Company against any claims arising out of the works in accordance with customary indemnity provisions, with the Contractor's liability amounting to 100% of the contract value. It is noted that the Contractor bears no liability for any breach by Al-Haer Environmental Services Company of its obligations.

Neither party may disclose any information or documents relating to the agreement without the prior consent of the other party, except as required to comply with applicable laws or requirements of governmental authorities. These agreements are governed by the laws of England and Wales, without prejudice to applicable laws and regulations in the Kingdom. In the event of a dispute, senior representatives of the parties shall meet to resolve the dispute within ten days, failing which the dispute shall be referred to Saudi arbitration in Riyadh, Kingdom of Saudi Arabia.

The Company obtained the approval of Al-Haer Environmental Services Company to disclose agreement in the Prospectus on 15/03/1447H (corresponding to 07/09/2025G).

11.6.1.11 The Company's Agreement with Stream Water Transmission Company

The Company entered into an EPC agreement with Stream Water Transmission Company for a government owned project to construct a water pipeline project extending over 500km from the Eastern Province to the Qassim Region. The agreement is linked to a separate build, own, and operate agreement entered into between Stream Water Transmission Company and a governmental entity. It is worth noting that the contracting method adopted by the governmental entity for the implementation of this project is a BOOT (Build, Own, Operate, and Transfer).

The Company's primary responsibility under the agreement is to carry out the engineering, development, procurement, construction, start-up, commissioning, and testing of the water pipelines. The Company's responsibilities also include the procurement and installation of water special facilities and electrical special facilities, installation of metering systems, site investigations and preparation works, provision of initial spare parts for a period of no less than two years and not exceeding five years, training the employees of Stream Water Transmission Company and the operation and maintenance contractor for the project, and completion of all necessary works and services required under the agreement. The agreement is effective as at 13/06/2025G and shall remain in force until the issuance of the final acceptance certificate, which the Company expects to be issued following completion of all works and their acceptance by Stream Water Transmission Company, such that the final handover of the project is expected to take place on 31/05/2031G. The project comprises several key milestones, including the date of preliminary acceptance of the private water special facilities and electrical special facilities, the date of preliminary acceptance of the entire project, and the final deadline by which the Company is required to carry out any remedial works in accordance with the instructions issued by Stream Water Transmission Company.

Stream Water Transmission Company is entitled to terminate the agreement upon the occurrence of certain events, including, without limitation, if the Company becomes subject to bankruptcy or liquidation proceedings, fails to obtain or maintain the required guarantees or insurance coverage, or reaches the maximum cap of financial penalties. In all cases, Stream Water Transmission Company reserves the right to terminate the agreement at its sole discretion at any time by serving a notice on the Company prior to termination. The Company shall be subject to financial penalties if it fails to complete the works by the preliminary acceptance date or if it fails to perform the works in accordance with the agreed specifications.

The value of the agreement entered into with Stream Water Transmission Company amounts to SAR 6,637,560,563 (exclusive of VAT) and is subject to increase or decrease in accordance with customary variations and the provisions of the agreement. The Company is required to provide various guarantees to Stream Water Transmission Company including an advance payment guarantee equal to the value of the advance payment paid by Stream Water Transmission Company, a performance guarantee equal to 25% of the contract value, and a local content guarantee to ensure the Company's compliance with local content and Saudization requirements.

It should be noted that Stream Water Transmission Company may issue variation orders in relation to the agreement, which the Company is required to comply with and implement. In addition, the Company is required to subcontract certain works to a specified group of subcontractors as stipulated in the agreement and must provide Stream Water Transmission Company with all necessary information relating to such subcontractors. The Company remains fully responsible for any works performed by its subcontractors. The agreement does not permit any partial or total assignment.

The agreement includes force majeure provisions in line with customary market practice, whereby a failure by either party to perform its obligations due to a force majeure event shall not constitute a breach, provided that the affected party notifies the other party of the occurrence of the force majeure event and uses all reasonable efforts to mitigate its effects. If a force majeure event continues for a period of 365 days and prevents the affected party from performing its obligations, Stream Water Transmission Company shall be entitled to terminate the agreement, subject to payment of the Company's dues.

The warranty period for the electrical special facilities extends for 12 months from the commercial operation date, while the warranty period for the water special facilities and the remaining works under the agreement extends for 24 months from the relevant preliminary acceptance dates, with a possibility of extending such warranty periods. The Company remains liable for latent defects.

Neither party may disclose the agreement without obtaining the other party's prior written consent, except for disclosures required to comply with applicable laws or made in response to requests from subcontractors or advisers. The agreement is governed by the laws in force in the Kingdom. Any disputes arising out of the agreement shall be resolved amicably or by referral to appointed experts, and failing resolution, the dispute shall be referred to the competent arbitration authority.

11.6.2 Consortium and Joint Venture Agreements

11.6.2.1 Consortium Agreement with Albawani Water and Power

The Company entered into a consortium agreement with Albawani Water and Power Company on 25/05/1447H (corresponding to 16/11/2025G) for the purpose of forming a consortium and agreeing to work on an exclusive basis on submitting a bid for a project belonging to a semi-governmental entity. The Company was appointed as a consortium leader under this agreement. The agreement also specifies that if the relevant project is awarded to the consortium, a separate agreement will be entered into between the parties to set out the rights and obligations thereto and the scope of work of each party. No party may assign the agreement without obtaining the other party's consent, and the parties shall be jointly and severally liable toward the project owner.

The agreement remains in effect from the date of its execution until the occurrence of certain events, including the award of the contract to parties other than the consortium, the mutual agreement of the parties to terminate the agreement, or the execution of another agreement between the parties. In the event of termination for any of the specified reasons, the parties shall not bear any liability toward one another, except for any amounts due and payable up to the date of termination.

The agreement is governed by the laws in force in the Kingdom, and any disputes arising therefrom shall be resolved in accordance with the rules of the Saudi Center for Commercial Arbitration.

11.6.2.2 Joint Venture Agreement with Multiple Parties

The Company entered into a joint venture agreement with AlBawani Company Limited, Alkhorayef Water and Power Technologies Company (to be referred to together with the Company in this section as the “**JV Members**”) and Albawani Water and Power Company on 05/03/1447H (corresponding to 28/08/2025G) to set out the main terms for their collaboration with regards to the JV Partners’ submission of a bid for EPC works for a water pipeline project (to be referred to in this section as the “**Project**”). The JV Members also agreed to enter into a more detailed joint venture agreement to set out the specific terms and conditions of their relationship with regards to the execution of the Project and with regards to the establishment of a project company to execute the Project. It is also agreed that the Company will own 33.34% of the joint venture company, while the remaining shares will be owned by the other JV Partners. The agreement also provides that the Company shall act as the leader of the JV Partners with regards to the bid submission and alignment between the JV Partners.

11.6.3 The Company’s Transactions with Subcontractors, Suppliers and Service Providers

The Company engages subcontractors to provide mechanical, electrical and civil works, and contracts with suppliers for the procurement of materials and equipment, and engages with various technical service providers (collectively referred to in this subsection as the “**Subcontractors**”) for the execution of its works or the supply of equipment or materials for its various projects. This subsection provides an overview of the Company’s general contractual arrangements with Subcontractors and transactions with Subcontractors the Company considers to be material.

As at the date of this Prospectus, the number of ongoing transactions with Subcontractors that the Company considers to be material amounted to approximately 56 transactions, representing approximately 2.4% of the total number of the Company’s ongoing transactions with Subcontractors. The Company’s Cost of Purchases from Subcontractors considered to be material amounted to SAR 904,223,054, SAR 554,571,911, SAR 433,766,766 and SAR 310,417,356 for the financial years ended 31 December 2022, 2023 and 2024, and for the six-month period ended 30 June 2025, representing approximately 64.4%, 37.2%, 28.3% and 37.6% of the Company’s total Cost of Purchases for the respective financial periods.

11.6.3.1 Material Subcontractors

Except as disclosed in this section, the Company does not rely on any single Subcontractor for the execution of its construction works, operation and maintenance works, or its business operations in general. The Company has organized its operations in a manner that enables it to contract with a broad range of suppliers and distributors within the Kingdom to procure raw materials, consumables, construction equipment and materials and other construction-related services. The Company also maintains relationships with an extensive network of approved Subcontractors, allowing it to take reasonable and appropriate measures to mitigate potential risks arising from Subcontractor concentration, such as risks relating to material shortages or delivery delays. This network further enables the Company to meet project-specific requirements on a case-by-case basis.

In general, the Company procures equipment, consumables, services and construction materials from the market based on the following criteria: (a) the fair value, (b) the Subcontractor’s ability to supply materials or equipment or provide services within the required timeframe, (c) the quality of the materials, equipment or services, and (d) their availability. However, the Company relies on the following Subcontractors for the supply of certain materials and equipment and for the provision of specific services:

- **Steel and Rebar:** The Company, similar to other construction companies, relies on the Saudi Iron and Steel Company (Hadeed) for the supply of steel and rebar due to the latter’s market share and the prices offered compared to its competitors in the market. The Company contracts with Saudi Iron and Steel Company pursuant to a framework agreement (for further details on the terms and conditions of the framework agreement, please refer to Section 11.6.3.3.1 “*The Framework Agreement*” of this Prospectus).
- **Bitumen:** The Company relies on Saudi Aramco for the supply of bitumen, as Saudi Aramco is the sole authorized supplier of untreated bitumen in the Kingdom. For further details regarding the Company’s contracting mechanism with Saudi Aramco, please refer to Section 11.6.3.3.3 “*Exceptions to the Framework Model Arrangements*” of this Prospectus.
- **Pipes:** The Company relies, similar to other construction companies, on East Pipes Integrated Company for Industry, Group Five Pipe Saudi, and Saudi Arabian Amiantit Company for the supply of pipe materials used in mechanical construction equipment, as they are the only suppliers of metal pipe materials in the Kingdom. The Company contracts with these suppliers pursuant to the framework agreement (for further details, please refer to Section 11.6.3.3.1 “*The Framework Agreement*” of this Prospectus).

- **Design and Engineering Services:** The Company relies on CH2M Saudi Ltd, ILF Consulting Engineers and Saudi Engineering Union Consulting Engineering Company for engineering design services, mainly due to the long-standing historical relationship with them and their services meeting the Company's expectations. As at the date of this Prospectus, the Company has one agreement with its material design and engineering service providers (for further details on the terms of such agreement, please refer to Section 11.6.3.3.3 "Exceptions to the Framework Model Arrangements" of this Prospectus).

11.6.3.2 Competitive Procedures

Historically, the Company did not follow formal procedures to regulate its subcontracting process to implement its works, as it primarily relied on its existing commercial relationships with Subcontractors. However, since February 2024G, the Company has initiated the following measures: (1) tendering subcontracted work through the issuance of formal requests for proposals; and (2) adopting a Subcontractor Selection and Management Policy dated 25/08/1445H (corresponding to 06/03/2024G) (the "Subcontracting Policy"), which governs the Company's process for selecting Subcontractors and managing its relationships with them. The Company commenced implementation of the Subcontracting Policy in June 2024G.

Pursuant to these measures, once the scope of work and the estimated budget for the works to be subcontracted are determined, the Company prepares a request for proposals that includes submission instructions and evaluation criteria applicable to bidders. The Company then conducts a prequalification process for Subcontractors that meet the required criteria and issues the request for proposals to the prequalified bidders, specifying the deadline for submission of bids. Upon receipt of bids, the Company evaluates them based on predetermined criteria, including cost, timeline, technical experience and safety records, in accordance with the Subcontracting Policy. The relevant works are subsequently awarded to the successful bidder.

11.6.3.3 Contractual Arrangements with Subcontractors

11.6.3.3.1 The Framework Agreement

Until 4 December 2024, the Company conducted the majority of its dealings with Subcontractors through purchase orders issued based on the Company's template form. In general, the Company's purchase orders included certain terms and conditions relating to equipment and specifications, purchase price (generally denominated in Saudi Riyals and inclusive of VAT, and in certain cases denominated in U.S. Dollars), a description of the relevant project, payment mechanisms, delivery dates or completion milestones, and delay penalties. Such purchase orders also typically included warranty coverage provisions ranging from 12 to 48 months, or other guarantee-related provisions. In addition, such purchase orders could include obligations to comply with specific technical requirements relating to the relevant client project, which were incorporated in a number of purchase orders serving certain clients of the Company, such as the Saudi Water Authority, National Water Company and the Royal Commission for Riyadh City. However, as such purchase orders did not provide a comprehensive contractual framework as required for the Company's dealings with its Subcontractors, the Company developed a standardized framework agreement for such dealings (the "**Framework Agreement**"), which includes terms and conditions customarily applied in the construction sector or typically required by project developers similar to the Company's clients. The Framework Agreement is implemented either through the execution of framework agreements (the "**Master Framework Agreement**") with Subcontractors or through incorporation of such terms into purchase orders issued by the Company (the "**Purchase Order Form**"). The Company first applied the Framework Agreement on 5 December 2024G and currently applies it to most of its new material subcontracting arrangements. In addition, the Company has terminated and replaced the majority of existing purchase orders with effective dates extending beyond the first quarter of 2025 with the Framework Agreement.

Set forth below is a summary of the standard terms and conditions of the Framework Agreement, noting that such terms may vary from one arrangement to another based on the outcome of negotiations:

a. Scope of Work

The obligations of the Company under the Framework Agreement include, without limitation, payment of the subcontracting fees for services rendered.

b. Term and Termination

The Framework Agreement will remain effective until terminated by either party upon 20 days' notice in the case of the Company and 30 days' notice in the case of the Subcontractor. Each purchase order will have its own "start" and "expiry" dates. The Company is also entitled to terminate the Framework Agreement if the Subcontractor becomes bankrupt or insolvent or breaches any of its material obligations.

c. Consideration and Payment Mechanism

The Company will pay a certain fixed price as agreed upon in each purchase order, whether issued solely or under a framework agreement. The Company will make its payments (plus VAT) within 60 days of receipt of invoices from the Subcontractor. The Subcontractor will be responsible for other taxes, fees, and charges levied under applicable law. The Company may unilaterally deduct any sum payable by the Subcontractor from the Company's payments.

d. Performance Guarantee

The Company may require the Subcontractor to provide a performance guarantee in the form of an unconditional and irrevocable bank guarantee. Such guarantee must remain valid from the date of issuance until the Subcontractor has fulfilled all of its obligations or any disputes arising under the Framework Agreement have been resolved, whichever is later.

e. Amendment of Agreement

The Company may adjust the Subcontractor's scope of work by providing written notice. The Subcontractor may request an adjustment to the purchase order value if such amendment results in delays or increased costs.

f. Subcontracting

The Subcontractor may subcontract part of its works; however, the primary Subcontractor remains solely and directly responsible to the Company for the acts and omissions of any lower-tier subcontractors.

g. Force Majeure

The Framework Agreement includes customary force majeure provisions allowing either party to suspend performance of its obligations without constituting a breach.

h. Liquidated Damages

The Subcontractor is liable for liquidated damages of up to 10% of the value of the relevant Master Framework Agreement or purchase order in the event of delayed performance.

i. Quality Warranty

The Subcontractor warrants that all products and services supplied are free from defects in design, execution, construction and installation. In the event of breach, the Subcontractor bears all costs necessary to remedy such defects upon notification by the Company within a reasonable period.

j. Liability and Indemnity

The Subcontractor is required to indemnify and hold the Company harmless against any losses, costs, damages or liabilities incurred by the Company, including third-party claims relating to intellectual property infringement or damage arising from the use of equipment during performance of the Subcontractor's obligations.

k. Confidentiality Restrictions

Each party must maintain the confidentiality of all information disclosed or obtained from the other party, subject to disclosure required to comply with the laws of the Kingdom.

l. Governing Law and Dispute Resolution

The Framework Agreement is governed by the laws of the Kingdom. Disputes relating thereto are subject to the jurisdiction of the courts of Riyadh or may be resolved through arbitration administered by the Saudi Center for Commercial Arbitration.

11.6.3.3.2 Use of Equipment

Prior to 4 November 2024, the Company purchased heavy equipment (such as cranes, bulldozers and excavation equipment) and raw materials (including steel and tank materials) from relevant suppliers for use by Subcontractors in performing works on behalf of the Company. Ownership of such equipment is then transferred to the Subcontractors after deducting and settling its purchase price from the amounts payable to the relevant Subcontractor. For example, in the case of a drilling and excavation Subcontractor, the Company may purchase the drilling and excavation tools directly from a supplier and provide them directly to a drilling and excavation Subcontractor, who uses such

equipment on a project benefiting the Company. The Company may withhold amounts from each payment invoice due to such drilling and excavation Subcontractor totaling the value of the provided equipment; once the Company is made whole, the excavation and drilling Subcontractor then becomes the legal owner to such equipment and is free to use them in its operations unaffiliated with the Company without restriction. This arrangement benefits the Company by leveraging its commercial relationships with the suppliers in three key respects: (1) avoiding disruptions and delays that may arise if Subcontractors independently attempt to import equipment, (2) obtaining preferential pricing for equipment and materials compared to prices available to Subcontractors, and (3) avoiding mark-ups or additional fees that may otherwise be charged by Subcontractors.

Since the date referred to above, the Company has formally documented this arrangement with certain Subcontractors through a standardized form (the “Master Equipment Annex”). The Master Equipment Annex sets forth that the Subcontractor agrees to use certain equipment for a certain term during which Subcontractor may only use such equipment in its provision of the certain services agreed upon in the related Master Equipment Annex. As consideration for the use of equipment, Subcontractor will offset the service fee charged to the Company by a certain equipment credit. After expiry of the agreed-upon term, the Subcontractor may, at its option, pay the amount equal to (i) the price of the equipment less (ii) any equipment credits credited to the Company plus (iii) any repair or maintenance costs that the Company incurred during the use term, in order to fully purchase the used equipment from the Company. The Company first implemented the Master Equipment Annex on 4 November 2024 and, as at the date of this Prospectus, has entered into eight agreements pursuant thereto.

11.6.3.3.3 Exceptions to the Framework Model Arrangements

Although the majority of the Company’s dealings with Subcontractors as at the date of this Prospectus are conducted pursuant to the Framework Agreement, certain Subcontractors require the use of their own contractual forms, or the nature of the scope of work necessitates a different contractual structure. These exceptions are set out below:

a. Saudi Aramco

The Company procures bitumen from Saudi Aramco by submitting orders through Saudi Aramco’s electronic platform, with transactions governed by the standard general terms and conditions applicable to such platform.

b. ILF Consulting Engineers

On 20 December 2024, the Company entered into an agreement with ILF Consulting Engineers for the provision of engineering design services, based on the 2018 Fifth Edition of the FIDIC form of contract. The agreement is in relation to a water transmission pipeline project extending from the Eastern Region to Qassim Region. The scope of work includes detailed design of the water transmission system, station pipelines, pipeline routing drawings, related systems and site-specific designs. The total contract value amounts to USD 10,000,000 (equivalent to SAR 37,500,000), exclusive of VAT, payable in accordance with the agreed payment schedule, and subject to adjustment pursuant to change orders issued by either party. The agreement also includes comprehensive provisions relating to technical specifications, work evaluation and delivery mechanisms, execution milestones, insurance and guarantee requirements, and a schedule of penalties applicable in the event of a breach of the agreement and the works specifications.

11.7 Related Party Transactions

Amounts due from related parties amounted to SAR 3.1 million, SAR 0.3 million, SAR 16.0 million, and SAR 16.0 million for the financial years ended 31 December 2022G, 2023G and 2024G, and for the six-month period ended 30 June 2025G, respectively. Amounts due to related parties amounted to SAR 314.9 million, SAR 29.7 million, SAR 9.0 million, and SAR 55.8 million for the financial years ended 31 December 2022G, 2023G and 2024G, and for the six-month period ended 30 June 2025G, respectively. Moreover, costs arising from transactions with related parties amounted to SAR 48.8 million, SAR 158.4 million, SAR 172.0 million, and SAR 126.1 million during the same periods, respectively, representing 3.1%, 8.9%, 9.3%, and 12.5% of the Company’s contract costs for the corresponding periods, respectively.

This section includes a summary of contractual transactions with related parties. The Board of Directors acknowledges that all contracts with related parties disclosed in this section do not include any preferential terms and were executed in a lawful and orderly manner, on fair and arm’s-length commercial terms. Except as disclosed in this Prospectus, the Board of Directors further confirms that the Company is not party to any other transactions, agreements, commercial relationships, or real estate transactions with related parties. The Board of Directors also confirms its commitment to comply with Article seventy-one and Article seventy-two of the Companies Law and Article forty-one of the Corporate Governance Regulations.

11.7.1 Construction Agreements

11.7.1.1 Subcontracting Agreement with Transmission Lines Trading and Contracting Company

The Company, in its capacity as the main contractor, entered into a subcontracting agreement with the Transmission Lines Trading and Contracting Company, in its capacity as the subcontractor, on 01/09/1446H (corresponding to 01/03/2025G). Pursuant to this agreement, the subcontractor shall provide the Company with the equipment and manpower necessary to execute the works set out under Al Haer Environmental Services Company Contract, for a total amount SAR 168,061,442, payable in monthly instalments. The term of the agreement is 18 months, from the access to the site, which was on 08/10/1446H (corresponding to 06/04/2025G) and ends on 25/04/1448H (corresponding to 06/10/2026G). The agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The agreement entered into with the Transmission Lines Trading and Contracting Company constitutes a related party transaction, as it is controlled by the sons of Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Alotaibi (namely Badr Mutlaq Damouk Alotaibi and Mohammed Mutlaq Damouk Alotaibi). Given that Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Alotaibi has an indirect interest in the transaction by virtue of being the father of the owners of the Transmission Lines Trading and Contracting Company, one of whom also holds the position of its General Manager, the agreement is considered a related party transaction in which a Director has an interest pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law. Accordingly, the agreement was approved by the Board of Directors on 26/08/1446H (corresponding to 25/02/2025G), and by the General Assembly on 27/08/1446H (corresponding to 26/12/2024G), with Board member Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Alotaibi abstaining from voting on the relevant resolutions.

11.7.1.2 EPC Agreement with Stream Water Transmission Company

The Company entered into an EPC Agreement dated 13/06/2025G with Stream Water Transmission Company, a special purpose entity established by a consortium of investors in accordance with the structure commonly adopted in public-private partnership (PPP) contracts under the Build-Own-Operate-Transfer (BOOT) model, as part of the Kingdom's efforts to enhance water security. The agreement covers, without limitation, engineering, development, procurement, construction, commissioning, supervision, and testing works for a water transmission pipeline project extending from the Eastern Province to the Qassim Region, with a total length exceeding 500 kilometers. The scope of work also includes the installation of water facilities and dedicated electrical facilities and the supply of required materials, installation of metering systems, execution of site preparation and inspection works, supervision of the supply and maintenance of spare parts for a period of up to five years, training of the client's employees and the operation and maintenance contractor's staff, and the execution of all other works and services necessary to complete the project under the agreement. The agreement is effective as at its execution date of 13/06/2025G and remains in force until the issuance of the final acceptance certificate, which the Company expects to be issued upon completion of all works and acceptance by Stream Water Transmission Company, with the final handover of the project expected on 31/05/2031G. The agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent arbitral tribunals if not amicably resolved (for further details, please refer to Section 11.6.1.11 "*The Company's Agreement with Stream Water Transmission Company*" of this Prospectus).

The agreement with Stream Water Transmission Company constitutes a related party transaction due to the ownership by an affiliate of the Company-Water Channels Company-of 35% of the shares in Stream Water Transmission Company. Water Channels Company is wholly owned by another affiliate of the Company, Bohour Investment Company, which is in turn wholly owned by Directors Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi (50%), Terad Damouk Mutlaq Al-Ghowairi (40%), and Mutlaq Mohammed Damouk Al-Ghowairi (10%).

As the aforementioned Directors have an indirect interest in Stream Water Transmission Company through their full ownership of Bohour Investment Company, this agreement is considered a related party transaction in which three Directors have an interest, pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law. Accordingly, the agreement was approved by the Board of Directors on 12/02/1447H (corresponding to 06/08/2025G) and by the General Assembly on 13/02/1447H (corresponding to 07/08/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi, Terad Damouk Mutlaq Al-Ghowairi, and Mutlaq Bin Mohammed Bin Damouk Al-Ghowairi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

11.7.2 Lease Agreements

11.7.2.1 Lease Agreements with Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi

Set out below is a summary of the terms of the lease agreements entered into between the Company and Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi. The lease agreements entered into with Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi constitute related party transactions, as they are contracts entered into with Directors. Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi also has a direct interest in these transactions in his capacity as the lessor, while Director Terad Damouk Mutlaq Al-Ghowairi has an indirect interest by virtue of being the brother of the lessor. Accordingly, all such contracts are considered related party transactions in which two Board members have an interest pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law.

a. Lease Agreement dated 22/09/1446H (corresponding to 22/03/2025G) for the Lease of Two Residential Units

The Company entered into a lease agreement (as a lessee) on 22/09/1446H (corresponding to 22/03/2025G) with Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi (as a lessor) for the lease of two residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 54,000. The lease term is one year, commencing on 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi abstaining from voting on the resolution of the Board of Directors.

b. Lease Agreement dated 05/12/1446H (corresponding to 01/06/2025G) for the Lease of Two Residential Units

The Company entered into a lease agreement (as a lessee) on 05/12/1446H (corresponding to 01/06/2025G) with Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi (as a lessor) for the lease of two residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 68,000. The lease term is one year, commencing on 07/02/1447H (corresponding to 01/08/2025G) and ending on 17/02/1448H (corresponding to 31/07/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 12/02/1447H (corresponding to 06/08/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi abstaining from voting on the resolution of the Board of Directors.

c. Lease Agreement dated 22/02/1447H (corresponding to 16/08/2025G) for the Lease of Six Residential Units

The Company entered into a lease agreement (as a lessee) on 22/02/1447H (corresponding to 16/08/2025G) with Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi (as a lessor) for the lease of six residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 77,000. The lease term is one year, commencing on 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 23/03/1447H (corresponding to 15/09/2025G) pursuant to the authorization granted to the Board of Directors by the General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi abstaining from voting on the resolution of the Board of Directors.

11.7.2.2 Lease Agreements with Terad Damouk Mutlaq Al-Ghowairi

Set out below is a summary of the key terms of the lease agreements entered into between the Company and Director Terad Damouk Mutlaq Al-Ghowairi. The lease agreements entered into with Director Terad Damouk Mutlaq Al-Ghowairi constitute related party transactions, as they are contracts entered into with Directors. Director Terad Damouk Mutlaq Al-Ghowairi has a direct interest in these transactions in his capacity as the lessor, while Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi has an indirect interest by virtue of being the brother of the lessor. Accordingly, all such contracts are considered related party transactions in which two Board members have an interest, pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law.

a. Lease Agreement dated 24/03/1447H (corresponding to 16/09/2025G) for the Lease of Ten Residential Units

The Company entered into a lease agreement (as a lessee) on 24/03/1447H (corresponding to 16/09/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor), for the lease of ten residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 220,000.

The lease term is one year, commencing on 24/05/1447H (corresponding to 15/11/2025G) and ending on 04/06/1448H (corresponding to 14/11/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 23/03/1447H (corresponding to 15/09/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

b. Lease Agreement dated 22/09/1446H (corresponding to 22/03/2025G) for the Lease of One Residential Unit

The Company entered into a lease agreement (as a lessee) on 22/09/1446H (corresponding to 22/03/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of one residential unit owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 40,000. The lease term is one year, commencing on 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned contract was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

c. Lease Agreement dated 10/09/1446H (corresponding to 10/03/2025G) for the Lease of Two Commercial Units

The Company entered into a lease agreement (as a lessee) on 10/09/1446H (corresponding to 10/03/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of two commercial units owned by the lessor for use as Company offices, at an annual rental value of SAR 60,000. The lease term is one year, commencing on 12/11/1446H (corresponding to 10/05/2025G) and ending on 22/11/1447H (corresponding to 09/05/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

d. Lease Agreement dated 10/05/1447H (corresponding to 01/11/2025G) for the Lease of Three Commercial Units

The Company entered into a lease agreement (as a lessee) on 10/05/1447H (corresponding to 01/11/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of three commercial units owned by the lessor

for use as Company offices, at an annual rental value of SAR 100,000. The lease term is 364 days, commencing on 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G). The lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 12/08/1447H (corresponding to 31/01/2026G) pursuant to the authorization granted to the Board of Directors by the General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

e. Lease Agreement dated 02/09/1446H (corresponding to 02/03/2025G) for the Lease of Sixteen Residential Units

The Company entered into a lease agreement (as a lessee) on 02/09/1446H (corresponding to 02/03/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor), for the lease of sixteen residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 400,000. The lease term is one year, commencing on 03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G) pursuant to the authorization granted to the Board of Directors by the General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

f. Lease Agreement dated 30/07/1446H (corresponding to 30/01/2025G) for the Lease of Two Residential Units

The Company entered into a lease agreement (as a lessee) on 30/07/1446H (corresponding to 30/01/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of two residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 60,000. The lease term is one year, commencing on 30/10/1446H (corresponding to 01/04/2025G) and ending on 12/10/1447H (corresponding to 31/03/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G) pursuant to the authorization granted to the Board of Directors by the General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

g. Lease Agreement dated 09/03/1447H (corresponding to 01/09/2025G) for the Lease of Two Residential Units

The Company entered into a lease agreement (as a lessee) on 09/03/1447H (corresponding to 01/09/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of two residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 70,000. The lease term is one year, commencing on 10/05/1447H (corresponding to 01/11/2025G) and ending on 20/05/1448H (corresponding to 31/10/2026G). The lease shall not be renewed except by mutual agreement of the parties. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 23/03/1447H (corresponding to 15/09/2025G) pursuant to the authorization granted to the Board of Directors by the General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

h. Lease Agreement dated 03/10/1446H (corresponding to 01/04/2025G) for the Lease of Five Residential Units

The Company entered into a lease agreement (as a lessee) on 03/10/1446H (corresponding to 01/04/2025G)

with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of five residential units owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 115,000. The lease term is one year, commencing on 05/12/1446H (corresponding to 01/06/2025G) and ending on 14/12/1447H (corresponding to 31/05/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 12/02/1447H (corresponding to 06/08/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi abstaining from voting on the resolution of the Board of Directors.

i. Lease Agreement dated 07/01/1447H (corresponding to 02/07/2025G) for the Lease of Four Commercial Units

The Company entered into a lease agreement (as a lessee) on 07/01/1447H (corresponding to 02/07/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of four commercial units owned by the lessor for use as Company offices, at an annual rental value of SAR 230,000. The lease term is 364 days, commencing on 09/03/1447H (corresponding to 01/09/2025G) and ending on 18/03/1448H (corresponding to 31/08/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 23/03/1447H (corresponding to 15/09/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolution of the Board of Directors.

j. Lease Agreement dated 22/05/1447H (corresponding to 13/11/2025G) for the Lease of One Residential Unit

The Company, in its capacity as the lessee, entered into a lease agreement (as a lessee) on 22/05/1447H (corresponding to 13/11/2025G) with Terad Damouk Mutlaq Al-Ghowairi (as a lessor) for the lease of one residential unit owned by the lessor for the purpose of housing the Company's employees, at an annual rental value of SAR 32,000. The lease term is one year, commencing on 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G), and the lease shall be automatically renewed. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The above-mentioned lease agreement was approved by the Board of Directors on 23/03/1447H (corresponding to 15/09/2025G) pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly on 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

11.7.2.3 Lease Agreement with Nuwair Madkhal Zaid Al-Ghowairi dated 09/04/1447H (corresponding to 01/10/2025G) for Leasing Three Residential Units

The Company entered into a lease agreement (as a lessee) on 09/04/1447H (corresponding to 01/10/2025G) with Nuwair Madkhal Zaid Al-Ghowairi (as a lessor), to lease three residential units owned by the lessor for the purpose of housing the Company's employees, for an annual rent of SAR 59,000. The lease term is one year commencing on 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G) and is automatically renewable. The lease shall be governed by and construed in accordance with the laws in force in the Kingdom, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The lease agreement entered into with Nuwair Madkhal Zaid Al-Ghowairi constitutes a related party transaction, as she is the mother of Directors Mutlaq bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi. As such, Directors Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi have an indirect interest by virtue of being the sons of Nuwair Madkhal Zaid Al-Ghowairi. Accordingly, the above-mentioned lease is considered a related party transaction in which two Directors have an interest, in pursuant to Article 27 of the Companies Law and Article (66) of the Implementing Regulations of the Companies Law.

The above-mentioned lease was approved by the Board of Directors on 29/04/1447H (corresponding to 21/10/2025G), pursuant to the authorization granted to the Board of Directors by the Ordinary General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq bin Damouk bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

11.7.2.4 Lease Agreements with Afaq Alfikr AlAhlyah Company

Below is a summary of the terms of the Company's lease agreements entered into with Afaq Alfikr AlAhlyah Company. The lease agreements entered into with Afaq Alfikr AlAhlyah Company constitute related party transactions, as the company is controlled by Director Terad Damouk Mutlaq Al-Ghowairi. Director Terad Damouk Mutlaq Al-Ghowairi has an indirect interest as the owner and manager of Afaq Alfikr AlAhlyah Company, and Director Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi has an indirect interest as the brother of the owner and manager of Afaq Alfikr AlAhlyah Company. Accordingly, the below agreements are considered related party transactions in which two Directors have an interest, in pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law.

a. Lease Agreement dated 11/07/1446H (corresponding to 11/01/2025G) for Leasing Four Residential Units

The Company entered into a lease agreement (as a lessee) on 11/07/1446H (corresponding to 11/01/2025G) with Afaq Alfikr AlAhlyah Company (as a lessor) to lease four residential units owned by the lessor for employee housing purposes, for an annual rent of SAR 128,784. The lease term is one year commencing on 13/09/1446H (corresponding to 13/03/2025G) and ending on 23/09/1447H (corresponding to 12/03/2026G) and is automatically renewable. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G), pursuant to the authorization issued by the General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting.

b. Lease Agreement dated 22/11/1446H (corresponding to 20/05/2025G) for Leasing One Residential Unit

The Company entered into a lease agreement (as a lessee) on 22/11/1446H (corresponding to 20/05/2025G) with Afaq Alfikr AlAhlyah Company (as a lessor) to lease one residential unit for employee housing, for an annual rent of SAR 32,196. The lease term runs from 25/01/1447H (corresponding to 20/07/2025G) to 05/02/1448H (corresponding to 19/07/2026G) and is automatically renewable. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The agreement was approved by the Board of Directors on 12/02/1447H (corresponding to 06/08/2025G), pursuant to the authorization issued by the Ordinary General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi abstaining from voting.

c. Lease Agreement dated 19/08/1446H (corresponding to 18/02/2025G) for Leasing Two Residential Units

The Company entered into a lease agreement (as a lessee) on 19/08/1446H (corresponding to 18/02/2025G) with Afaq Alfikr AlAhlyah Company (as a lessor) to lease two residential units for employee housing, for an annual rent of SAR 64,392. The lease term runs from 22/10/1446H (corresponding to 20/04/2025G) to 02/11/1447H (corresponding to 19/04/2026G) and is automatically renewable. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The agreement was approved by the Board of Directors on 03/11/1446H (corresponding to 01/05/2025G), pursuant to the authorization issued by the General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting.

d. Lease Agreement dated 22/05/1447H (corresponding to 13/11/2025G) for Leasing Three Residential Units

The Company entered into a lease agreement (as a lessee) on 22/05/1447H (corresponding to 13/11/2025G) with Afaq Alfikr AlAhlyah Company (as a lessor) to lease three residential units for employee housing, for an annual rent of SAR 96,000. The lease term runs from 10/06/1447H (corresponding to 01/12/2025G) to 20/06/1448H (corresponding to 30/11/2026G) and is automatically renewable. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The agreement was approved by the Board of Directors on 29/05/1447H (corresponding to 20/11/2025G), pursuant to the authorization issued by the Ordinary General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting.

11.7.3 Transactions in which a Board Member Has an Interest that Are Not Related Party Transactions

11.7.3.1 Lease Agreements with Nora Damouk Mutlaq Al-Otaibi

Lease Agreement dated 22/05/1447H (corresponding to 13/11/2025G) for Leasing Thirteen Commercial Units

The Company entered into a lease agreement (as a lessee) on 22/05/1447H (corresponding to 13/11/2025G) with Nora Damouk Mutlaq Al-Otaibi (as a lessor) to lease thirteen commercial units owned by the lessor for use as the Company's offices, for an annual rent of SAR 422,487. The lease term is one year commencing on 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G) and is automatically renewable. The lease agreement shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the competent courts of the Kingdom.

The lease agreement with Nora Damouk Mutlaq Al-Otaibi constitutes a transaction in which Directors have an interest, as she is the sister of Directors Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi and Terad Damouk Mutlaq Al-Ghowairi. Accordingly, the aforementioned Directors have an indirect interest by virtue of being her brothers. The agreement therefore constitutes a transaction in which Directors have an interest, in pursuant to Article 27 of the Companies Law and Article 66 of the Implementing Regulations of the Companies Law.

The agreement was approved by the Board of Directors on 29/05/1447H (corresponding to 20/11/2025G), pursuant to the authorization issued by the Ordinary General Assembly dated 01/11/1446H (corresponding to 29/04/2025G), with Board members Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Bin Damouk Bin Mutlaq Al-Ghowairi Al-Otaibi abstaining from voting on the resolutions of the Board of Directors and the General Assembly.

11.8 Credit Facility Agreements

11.8.1 Facility Agreement with Riyad Bank

The Company entered into a facility agreement with Riyad Bank on 15/11/2022G, pursuant to which Riyad Bank agreed to provide the Company with credit facilities amounting to SAR 690,296,000 until 15/11/2025G, and this agreement was extended on an exceptional basis and remains valid as at the date of this Prospectus. The following is a summary of the key terms of this agreement:

Table 11.11: Terms of the Facility Agreement with Riyad Bank dated 05/11/2022G

Item	Description
Facility's Total Amount	SAR 690,296,000
Facility Expiration Date	The agreement expires on 15/11/2025G and was extended on an exceptional basis and remains valid as at the date of this Prospectus.

Item	Description
The Facilities	Tranche A
	Maximum SAR 5,000,000
	Purpose Financing 10% of treasury product.
	Repayment As per relevant underlying agreement.
	Profit Margin N/A
	Tranche B
	Maximum - A facility line of SAR 350,000,000. - Sub-facility line of SAR 250,000,000.
	Purpose Sub-facility line is for the issuance of advanced payment guarantees.
	Repayment As per relevant underlying agreement.
	Profit Margin - In respect of the facility, per tariff with an additional 1.75% in respect of advanced payment guarantees. - In respect of the sub-facility line, per tariff + 0.25%.
	Tranche C
	Maximum SAR 100,000,000
	Purpose Alternative direct credit including issuance of letter of credit, payment guarantees and shipping letter of guarantee, with the sub-facility line being Tawaruq.
	Repayment As per relevant underlying agreement.
	Profit Margin - In respect of the facility, per tariff and acceptance fee of 0.5%. - In respect of the sub-facility line, it is SAIBOR + 1%.
	Tranche D
	Maximum - A facility line of SAR 135,296,000. - Sub-facility lines A for SAR 123,000,000. - Sub-facility line B for SAR 12,296,000.
	Purpose - The purpose of the financing facility is to provide general financing for the projects of a consortium of private sector companies - Sub-facility line A is for issuance of performance guarantees. - Sub-facility line B is for the issuance of advanced payment guarantees.
	Repayment As per relevant underlying agreement.
	Profit Margin Per tariff.
Guarantees	- Shareholders' personal guarantee issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi guaranteeing the Company's obligations under the Facilities Agreement. - Riyadh Bank may request additional guarantees at its own discretion.
Key Covenants	- The Company undertakes to not change its legal form, ownership structure, administration or change in its capital, commitments to third parties, business unless it obtains Riyadh Bank's prior consent. - The Company must procure insurance for all assets that are granted as collateral in relation to the facility agreement and to assign its rights thereunder to Riyadh Bank. - The Company undertakes to not enter into any commitment that impacts or limits its ability to fulfil its obligations. - The Company must sign, within three months from the entry into the Facilities Agreement, with an external auditor ranked as per request for the year 2023G. - The Company undertakes not to cash out more than 50% of gained profit. - Riyadh Bank has a right, at its sole discretion, at any time, to amend or cancel part or all of the facilities granted under the Facilities Agreement. - Riyadh Bank has a discretionary right to amend the profit margin and any applicable fees at any time. - Riyadh Bank has a right of set-off against all accounts and assets of the Company under Riyadh Bank's custody and control, and its accounts are considered collateral to the outstanding facilities. - Riyadh Bank has a right to freeze and enforce against any of the Company's assets in case of delay or non-payment. - Riyadh Bank has a right to impose a 10% or 15% late penalty if the Company is delayed in of an amount due under a bond or guarantee that has been called upon by Riyadh Bank.

Item	Description
Termination and Acceleration of Payment	Riyad Bank may enforce against any and all security and granted under the agreement, and could terminate the agreement if certain events of default occur, including: – breach by the Company, any of its subsidiaries or sister companies of any of their obligations towards Riyad Bank under this agreement or otherwise; – breach by the Company, any of its subsidiaries or sister companies of any of their obligations towards any third party. – a change in the legal form, ownership structure or administration of the Company, any of its subsidiaries or sister company or any of the guarantors; – the Company is delayed in payment due to a total or partial halt in the operations of its core business; – the Company or any of the guarantors undergoes liquidation/insolvency proceedings or any procedures related thereto; or – issuance by the relevant body ruling against any of the guarantors or the Company's subsidiaries or sister companies that would impact the obligations arising under the agreement.
Governing Law & Jurisdiction	The agreement is governed by the laws of the Kingdom, and any dispute arising from this agreement shall be referred to the relevant judiciary body in the Kingdom.

Source: The Company

The Company sent a letter to Riyad Bank on 18/04/2024 regarding the Company's initial public offering of its shares on the financial market, the change of its legal form, and the change of its ownership. On 28/05/2024, the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form, change of ownership, or any other restrictions related to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.2 Credit Facility Agreement with Alinma Bank

The Company entered into a credit facility agreement with Alinma Bank on 05/02/1447 (corresponding to 30/07/2025G), under which Alinma Bank shall provide the Company with multi-purpose credit facilities, for a total amount of SAR 1,000,000,000, until 07/01/1450 (corresponding 31/05/2028G). The following is a summary of the key terms of the Agreement:

Table 11.12: Terms of the Credit Facility Agreement with Alinma Bank, dated 05/02/1447 (corresponding to 30/07/2025G)

Item	Description
Facilities Total Amount	SAR 1,000,000,000
Facility Expiration Date	The Agreement expires on 31/05/2028G, unless the parties agree, in writing, two months prior to the expiry of the Agreement, to renew it. The Company's submission of any drawdown request under any facilities after the expiry of the Agreement shall be deemed an implied request for renewal, and the Agreement shall be renewed for a similar term.
The Facilities	Tranche A
	Maximum A facility for the amount of SAR 700,000,000.
	Purpose Financing government or semi-government projects up to 80% of the project's contract value, opening letters of credit, at sight or deferred, and issuance of performance, advance payment, and retention money bonds, as well as deferred sale financing.
	Repayment As per the relevant underlying agreement.
	Fees and Profit Margin Fee of opening letters of credit: As per the Central Bank's tariff. Profit margin for the deferred sale financing: SAIBOR for a period of not less than three months and not exceeding 12 months + 1.25% per annum.
	Tranche B
	Maximum A facility for the amount of SAR 140,000,000.
	Purpose Financing standard letters of credit, at sight or deferred, to be subsequently used for deferred sale financing.
	Repayment As per the relevant underlying agreement.
	Fees and Profit Margin - Fee of opening letters of credit: As per the Central Bank's tariff. - Profit margin for the deferred sale financing: SAIBOR for a period of not less than three months and not exceeding 12 months + 1.25% per annum.
	Tranche C
	Maximum A facility for the amount of SAR 300,000,000.
	Purpose Issuing bid, performance, and advance payment bonds to participate in government and semi-government projects.
	Fees As per Central Bank's tariff.
Guarantees	- A promissory note issued by the Company for SAR 1,000,000,000. - A promissory note issued by the Company for SAR 100,000,000. - Assignment of project receivables and the project owner's acknowledgement of the same. - Shareholders' personal guarantee issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi capped at SAR 1,000,000,000. - Alinma Bank has a right to request additional guarantees.

Item	Description
Key Covenants	- Under Tranche A, the remaining value of the relevant projects proceeds shall not be less than 120% of the Company's total outstanding obligations. - Under Tranche A, representatives of Alinma Bank and its designated technical advisors are entitled to conduct site visits to the financed project. - Under Tranche A, the Company shall provide Alinma Bank with an updated project cash flow report every twelve (12) months. - Under Tranche A, the coverage ratio for the remaining value of the relevant projects proceeds, and the outstanding balance with Alinma Bank, and the remaining expenses to complete the relevant projects, shall not be less than 125% at any time. - Under Tranche A, any shortfall exceeding 80% of the financed project value must be covered. - Under Tranche A, the Company must inform Alinma Bank of any fundamental developments of the financed projects, and provide Alinma Bank of any other required information or documents. - Under Tranche A, the Company must disclose to and obtain the consent of Alinma Bank before any money transfers to related parties. - Under Tranche B, the coverage ratio for the remaining value of the relevant projects proceeds, and the outstanding balance with Alinma Bank, and the remaining expenses to complete the relevant projects, shall not be less than 120% at any time. - Under Tranche C, Alinma Bank is entitled to accept or reject financing for any project for which bid bonds have been issued. - The facilities granted shall be used solely for the purposes for which they were approved. - The Company must make all payments due in a timely manner, without delay and without the need for prior notice. - The Company must execute all documents requested by Alinma Bank to document the transactions contemplated under the agreement. - The Company undertakes to notify Alinma Bank prior to any change in its ownership structure or legal form. - The Company must not create any pledge, lien, or other encumbrance over any assets provided as security to Alinma Bank without obtaining Alinma Bank's prior written consent. - The Company must not incur any obligations that may adversely affect its ability to perform its obligations under the agreement or limit its ability to fulfill its obligations that may arise from the utilization of the facilities made available to it under this agreement. - The Company undertakes to bear all litigation costs, expenses, and attorneys' fees incurred by Alinma Bank in connection with any claim arising from the Company's default. - The Company shall provide Alinma Bank with information regarding its overall financial position, including any material change or event that may adversely affect its ability to meet its obligations. - The Company shall provide Alinma Bank with its audited balance sheets, detailed financial statements, and accompanying notes within (6) months after the end of each fiscal year, and shall submit unaudited quarterly statement of financial position within (30) days of the end of each relevant quarter. - In case it wishes to obtain insurance services or products, the Company must notify Alinma Bank and request a quotation either from Alinma Bank or from Arabian Shield Cooperative Insurance Company. The Company will procure such insurance from Arabian Shield Cooperative Insurance Company if its quotation is equal to or lower than the most competitive quotation obtained from other providers, provided that Arabian Shield Cooperative Insurance Company submits its quotation within (7) business days of being notified of the best available quotation. - The Company authorizes Alinma Bank to settle any obligations, expenses, or fees due to it from any of the Company's accounts, assets, securities, or guarantees held with the Bank, including any future deposits in such accounts. - All of the Company's accounts with Alinma Bank and its branches, regardless of their titles, types, or currency, are deemed a single account, and Alinma Bank is entitled to set off any obligations of the Company against any of its accounts with Alinma Bank. - Alinma Bank may seize or otherwise dispose of any securities, negotiable instruments, or other assets of any nature held in its possession, for the purpose of enforcing its rights under the agreement. - Alinma Bank has a right to assign part or all its rights created under the agreement to a third party without requiring the Company's consent. However, the Company shall not assign or transfer any of its obligations under the agreement without the prior written consent of Alinma Bank.
Governing Law & Jurisdiction	The agreement is governed by, and construed in accordance with, the laws of the Kingdom. Any dispute arising from this agreement shall be submitted to the relevant judiciary body in the Kingdom.

Source: The Company

The Company sent a letter to Alinma Bank on 14/10/2025 regarding the Company's initial public offering of its shares on the financial market, the change of its legal form, and the change of its ownership. On 23/10/2025, the Company obtained Alinma Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form, change of ownership, or any other restrictions related to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.3 Credit Facility Agreement with Banque Saudi Fransi

The Company entered into a credit facility agreement with Banque Saudi Fransi on 11/02/1444 (corresponding to 07/09/2022G) and such facility agreement was amended on 10/06/2024G and 16/10/2025G, under which Banque Saudi Fransi shall provide the Company with multi-purpose credit facilities, for a total amount of SAR 188,838,149 made available in accordance with the terms specified below under each tranche. The following is a summary of the key terms of the Agreement:

Table 11.13: Terms of the Credit Facility Agreement with Banque Saudi Fransi, dated 24/04/1447H (corresponding to 16/10/2025G)

Item	Description	
Facility's Total Amount	SAR 188,838,149	
	Tranche A	
	Maximum	SAR 150,000,000
	Purpose	Issuance of Islamic guarantee letters including bid bonds, performance guarantees, advance payment guarantees, and retention money guarantee letters.
	Fees	As per Central Bank's tariff.
	Term	By 30/09/2026G.
	Tranche B	
	Maximum	SAR 17,247,125
	Purpose	Issuance of performance guarantee letter for the benefit of the Abha Cultural Project.
	Fees	As per Central Bank's tariff.
The Facilities	Term	By 15/03/2026G.
	Tranche C-1	
	Maximum	SAR 1,407,750
	Purpose	Issuance of performance guarantee letter for the benefit of Ministry of Municipalities and Housing in relation to the Development and Enhancement of Makkah Entries Project.
	Term	By 26/08/2026G
	Fees	As per Central Bank's tariff.
	Tranche C-2	
	Maximum	SAR 5,631,000
	Purpose	Issuance of advance payment guarantee letter for the benefit of Ministry of Municipalities and Housing in relation to the Development and Enhancement of Makkah Entries Project.
	Term	By 17/05/2026G.
	Fees	As per Central Bank's tariff.
	Tranche D-1	
	Maximum	SAR 4,885,000.
	Purpose	Issuance of performance guarantee letter for the benefit of the National Water Company in relation to the Construction of Drinking Water Networks Project in the City of Taif (5).
	Term	By 29/04/2026G.
	Fees	As per Central Bank's tariff.
	Tranche D-2	
	Maximum	SAR 9,667,273
	Purpose	Issuance of advance payment guarantee letter for the benefit of the National Water Company in relation to the Construction of Drinking Water Networks Project in the City of Taif (5).
	Term	By 29/04/2026
	Fees	As per Central Bank's tariff.

Item	Description
Security	– Assignment of receivables arising from the agreement for the development and enhancement of Makkah entries project, with an acknowledgment from the Ministry of Municipalities and Housing on such assignment dated 15/03/1433H (corresponding to 07/02/2012G). – Assignment of receivables under the agreement relating to the construction of drinking water networks project in the city of Taif (5) with an acknowledgment from the National Water Company on 09/02/1435H (corresponding to 12/12/2013G). – Assignment of receivables in relation to the Abha cultural project with an acknowledgement from the Saudi Water Authority on 15/01/1443H (corresponding to 23/08/2021G). – Promissory Note issued by the Company for the value of SAR 188,838,149, guaranteed jointly by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi to cover the Company's entire obligations under the facility agreement. – Personal guarantee issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi to cover the Company's entire obligations under the facility agreement, capped at SAR 188,838,149. – Personal guarantee issued Terad Damouk Mutlaq Al-Ghowairi to cover the Company's entire obligations under the facility agreement, capped at SAR 188,838,149. – Assignment of receivables arising from any agreement that has a value equal to or more than SAR 60,000,000 and in relation to which Banque Saudi Fransi issues a performance guarantee or advanced payment guarantee under Tranche A.
Key Covenants	– The Company's leverage ratio must not exceed 2x at all times during the term of the Facilities Agreement. – The value of the Company's tangible assets must hold a minimum value of SAR 300,000,000. – The Company must maintain a monthly average of SAR 25,000,000 credit in its account held with Banque Saudi Fransi. – The Company undertakes to deposit all receivables relating to any project for which Banque Saudi Fransi has issued guarantee letters in their account with Banque Saudi Fransi. – Any guarantee issued under the general financing of a project exceeding the amount of SAR 100,000,000 requires the prior approval of Banque Saudi Fransi.
Termination and Acceleration of Payment	Banque Saudi Fransi may enforce against any and all security and granted under the agreement, and could terminate the agreement if certain events of default occur, including: – the Company fails to fulfil any obligation under the Facilities Agreement, including delay in payment; – the Company undergoes liquidation/insolvency proceedings or any procedures related thereto; – the Company sells, leases or transfers all of its receivables or assets; – the Company halts carrying out its business; or – any litigation or claim is made against the Company before a court or enforcement authorities or if the Company enters into a settlement with any of its creditors.
Governing Law & Jurisdiction	The agreement is governed by the laws of the Kingdom, and any dispute arising from this agreement shall be referred to the relevant judiciary body in the Kingdom.

Source: The Company

The Company sent a letter to Banque Saudi Fransi on 03/03/2026G regarding the Company's initial public offering of its shares on the financial market. On 11/03/2026G, the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.4 Credit Facility Agreement with the Saudi Investment Bank

The Company entered into a credit facility agreement with the Saudi Investment Bank on 16/04/1447 (corresponding to 08/10/2025G), under which the Saudi Investment Bank shall provide the Company with credit facilities, for a total amount of SAR 1,000,000,000, until 30/09/2026G. The following is a summary of the key terms of the Agreement:

Table 11.14: Terms of the Credit Facility Agreement with the Saudi Investment Bank, dated 16/04/1447 (corresponding to 08/10/2025G)

Item	Description
Facility's Total Amount	SAR 1,000,000,000
Facilities Term	The Agreement expires on 30/09/2026G
The Facilities	Tranche A
	Maximum SAR 30,000,000
	Purpose Issuance of bid bonds in favor of beneficiaries acceptable to the Saudi Investment Bank.
	Availability Period Six months from date of issuance.
	Fees As per Central Bank's tariff (paid upfront).
	Tranche B
	Maximum - Main facility line for SAR 970,000,000. - Sub-Facility line 1 for SAR 970,000,000. - Sub-Facility Line 2 for SAR 970,000,000. - Sub-Facility Line 3 for SAR 970,000,000. - Sub-Facility Line 4 for SAR 69,931,435. - Sub-Facility Line 5 for SAR 31,908,267.
	Purpose - Main facility line: issuance of performance guarantees and advance payment guarantees in favor of beneficiaries acceptable to the Saudi Investment Bank. - Sub-Facility Line 1: issuance of letters of credit, at sight or deferred (local/import). - Sub-Facility Line 2: refinancing of letters of credit. - Sub-Facility Line 3: Murabaha financing. - Sub-Facility Line 4: issuance of performance guarantees in favor of beneficiaries acceptable to the Saudi Investment Bank. - Sub-Facility Line 5: issuance of advance payment guarantees in favor of beneficiaries acceptable to the Saudi Investment Bank.
	Availability Period - Main facility line: 48 months from the date of issuance. - Sub-Facility Line 1 and Sub-Facility Line 2: a maximum tenor of 360 days. - Sub-Facility Line 3: a maximum tenor of 12 months from the date of drawdown. - Sub-Facility Line 4: until 27/01/2026G. - Sub-Facility Line 5: until 31/01/2026G.
	Fees and Profit Margin - Main facility line, and Sub-Facility Line 4 and Sub-Facility Line 5: as per Central Bank's tariff (paid upfront). - Sub-Facility Line 1: 0.5% per annum (payable upon acceptance). - Sub-Facility Line 2 and Sub-Facility Line 3: SAIBOR + 2% per annum.
Guarantees	- Promissory note issued by the Company for the amount of SAR 1,000,000,000. - Assignment of project receivables related to projects for which an advance payment guarantee or performance guarantee has been issued. - Full coverage of the agreements shall not be less than 125% of the total facilities amount, excluding bid bonds and performance guarantees. - Personal guarantees issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi, Mutlaq Mohammed Damouk Al-Ghowairi, and Terad Damouk Mutlaq Al-Ghowairi securing all obligations arising under the Facilities Agreement.

Item	Description
Key Covenants	- The Company must provide the Saudi Investment Bank with a copy of the Company's unaudited quarterly financial statements and income statement and their declarations, provided within a period not exceeding 30 days from the end of each quarter. - The Company is required to notify the Saudi Investment Bank in writing immediately upon the occurrence of any changes in its financial affairs or financial position that may affect its ability to perform its obligations under this agreement. - The Company must provide the Saudi Investment Bank with monthly reports outlining the conditions of the projects financed by the Saudi Investment Bank. - The Company must inform the Bank of any event of default, or of any actual or potential legal, arbitration, or administrative proceedings. - The proceeds of the facilities shall be used exclusively for purposes approved by the Saudi Investment Bank. - All payments due under the Facilities Agreement shall be made on time, and all obligations shall be duly performed. - The Company shall permit any professional advisor appointed by the Saudi Investment Bank to inspect its offices, plants, and any other business premises, as well as its accounting books and records. - The Company shall not undergo any change in ownership or control without the prior written approval of the Saudi Investment Bank. - The Company shall not amend its Articles of Association to reduce its share capital or alter ownership without the prior written approval of the Saudi Investment Bank. - The Company shall maintain insurance coverage for its business and assets with an insurer and against risks deemed appropriate by the Saudi Investment Bank, naming the Saudi Investment Bank as first beneficiary if requested. - The Saudi Investment Bank shall be treated on par with other banks in respect of securities. - The Company's liquidity shall not fall below 1:1.5. - The Company's leverage ratio shall not exceed 1:2. - The value of the Company's tangible assets, including shareholders' current accounts, shall not fall below SAR 1,000,000,000. - The Company shall not, without the Saudi Investment Bank's prior written consent: • merge or consolidate with another entity, or take any action that may lead to dissolution or liquidation; • buy back or redeem issued shares, reduce share capital, or sell/distribute assets; • establish or acquire subsidiaries, or invest in or finance any entity or person, except for trade finance in the ordinary course of business; • directly or indirectly sell, transfer, materially alter, or dispose of all or part of its business, assets, or revenues, except in the ordinary course of business; • provide loans, advances, guarantees, or assume liabilities for third-party obligations, whether directly, indirectly, or potential, except as necessary in the ordinary course of business; • create or permit any security over all or part of its assets or revenues, except in favor of the Saudi Investment Bank or as required by law in the ordinary course of business and unrelated to financing, fund raising, or lending; • enter into any agreement that may adversely affect the Company's condition; or • declare or pay dividends, or distribute revenues to shareholders during any default or potential default not remedied to the Saudi Investment Bank's satisfaction. - In the event of late payment, the Company shall pay a penalty of up to 5.5% in addition to the agreed profit margin on the full outstanding amount, which shall be allocated to charitable purposes. - The Saudi Investment Bank may, at its sole discretion, reduce or cancel the facility limit or demand immediate repayment of all outstanding amounts. - The Saudi Investment Bank may, at any time, set off and apply any and all amounts held by the Saudi Investment Bank, its subsidiaries, or affiliates, or any other debts owed by the Saudi Investment Bank, its subsidiaries, or affiliates to the Company. - Upon default, the Saudi Investment Bank may seize and sell any securities, commercial papers, negotiable instruments, funds, or other assets of the Company held by the Saudi Investment Bank, its subsidiaries, or affiliates, in any manner it may deem appropriate, and apply the proceeds toward the Company's obligations. - The Company shall not have the right to assign or transfer to any third party any of its rights arising under this Agreement, except after obtaining the written approval of Saudi Investment Bank.

Item	Description
Termination and Acceleration of Payment	The Saudi Investment Bank may suspend the facilities, terminate this Agreement, declare all indebtedness immediately due and payable, and enforce any and all guarantees provided by the Company, if certain events of default occur, including: - the Company or a guarantor fails to perform any obligation under the Facility Agreement or any related guarantee; - the Company conceals information which, in the Saudi Investment Bank's absolute discretion, is material or significant, or any representation or warranty made by the Company or a guarantor is found to be untrue or inaccurate - the Company prepays any indebtedness owed to the Saudi Investment Bank under other agreements or to any third prior to its due date, if such prepayment adversely affects the Company's ability to meet its obligations to the Saudi Investment Bank; - a creditor initiates attachment or seizure of the Company's assets or funds of any kind, or imposes any form of precautionary measure thereon; - the Company becomes subject to liquidation, insolvency proceedings, or any related procedures; - the Company defaults in payment to its creditors, is deemed insolvent, or enters into a settlement or arrangement with creditors; - the Company ceases to carry out a substantial part of its business, undergoes a material change in the nature or scope of its activities, transfers a significant part of its business or assets, or any proposes to do so; - a guarantor becomes subject to liquidation proceedings or suspension of operations; prepays bank indebtedness prior to maturity in a manner that adversely affects repayment capacity; becomes subject to asset or fund seizure; initiates or becomes subject to insolvency proceedings; fails to make payments to creditors; seeks a settlement or arrangement with creditors; discontinues any substantial part of its business; materially alters the nature or scope of its activities; transfers a significant portion of its business or assets; or dies or loses capacity; - the enactment or coming into force of any law, regulation, or equivalent legal instrument that exempts the Company or a guarantor from performing any or all of their obligations under the Facilities Agreement, any promissory note, or any security document, or that renders any provision thereof void, unlawful, or impossible to perform their obligations under the Facilities Agreement, the promissory note, or the security documents; - any event which, in the opinion of the Saudi Investment Bank, gives reasonable grounds to believe that a material adverse change has occurred in the business, financial condition, or prospects of the Company or a guarantor, or that their ability to perform obligations under this Agreement or any related instrument has been, or is likely to be, materially and adversely affected; - the Company breaches any of its undertakings; - a change in ownership or control of the Company; - a default by any subsidiary of the Company; or - the Company creates a pledge or other security interest over its assets in favor of a third party without the prior written approval of the Saudi Investment Bank.
Governing Law & Jurisdiction	The agreement is governed by, and construed in accordance with, the laws of the Kingdom. Any dispute arising out of this agreement shall be referred to the relevant judiciary body in the Kingdom.

Source: The Company

The Company sent a letter to the Saudi Investment Bank on 22/10/2025 regarding the Company's initial public offering of its shares on the financial market, the change of its legal form, and the change of its ownership. On 28/10/2025, the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form, change of ownership, or any other restrictions related to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi, Terad Damouk Mutlaq Al-Ghowairi and Mutlaq Mohammed Damouk Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.5 Credit Facility Agreement with Bank Albilad

The Company entered into a credit facility agreement with Bank Albilad on 05/01/1447 (corresponding to 30/06/2025G), under which Bank Albilad shall provide the Company with multi-purpose credit facilities, for a total amount of SAR 2,120,000,000, until 29/04/2026G, and this agreement was extended until 12/12/1447H (corresponding to 29/05/2026G). The following is a summary of the key terms of the Agreement:

Table 11.15: Terms of the Credit Facility Agreement with Bank Albilad, dated 05/01/1447 (corresponding to 30/06/2025G)

Item	Description
Facilities Total Amount	SAR 2,120,000,000
Facilities Term	The Agreement expires on 12/11/1447H (corresponding to 29/04/2026G), and this agreement was extended until 12/12/1447H (corresponding to 29/05/2026G)..
The Facilities	Tranche A
	Maximum - Revolving facility for the amount of SAR 150,000,000. - Sub-facility line with the same amount.
	Purpose - For the facility: Financing 70% of any government and semi-government projects for which an assignment of receivables has been granted in favour of Bank Albilad. - For the sub-facility line: Financing the Company's projects.
	Repayment - For the facility: 12-month bullet, or by deducting 70% plus profit from each check or transfer received related to the financed projects, whichever comes first. The Company must also ensure the existence of future revenues covering 143%. - For the sub-facility line: 12-month bullet.
	Fees 0.5% of the opening tariff and 0.5% per annum for delay.
	Tranche B
	Maximum - Revolving facility for the amount of SAR 200,000,000, with a SAR 50,000,000 cap per performance guarantee and a SAR 150,000,000 cap per advance payment guarantee. - Sub-facility line of SAR 150,000,000, with a cap of SAR 20,000,000 per bid bond.
	Purpose - For the facility: The issuance of performance guarantees and advanced payment guarantees in relation to government and/or semi-government projects. - For the sub-facility line: The issuance of bid bonds in relation to government and/or semi-government projects.
	Repayment - For the facility: 48 months. - For the sub-facility line: 9 months.
	Fees Per tariff.
	Tranche C
	Maximum - Revolving facility for the amount of SAR 1,270,000,000. - Sub-facility line (1) of SAR 1,270,00,000. - Sub-facility line (2) of SAR 100,00,000, with a cap of SAR 20,000,000 per bid bond.
	Purpose - For the facility: Financing government and semi-government projects. - Sub-facility line (1): The issuance of performance guarantees and advanced payment guarantees in relation to government and/or semi-government projects. - Sub-facility line (2): The issuance of bid bonds in relation to government and/or semi-government projects.
	Repayment - For the facility: 12 months. - For the sub-facility line (1): 48 months. - For the sub-facility line (2): 9 months.

Item	Description
The Facilities	Fees For the facility: 0.5% of the opening tariff and 0.5% per annum for delay. – For the sub-facility line (1): Per tariff. – For the sub-facility line (2): Per tariff.
	Tranche D
	Maximum Revolving facility for the amount of SAR 500,000,000. – Sub-facility line (1) with the same amount. – Sub-facility line (2) with the same amount.
	Purpose For the facility: Financing government and semi-government projects. For the sub-facility line (1): Financing any government and semi-government projects for which an assignment of receivables has been granted in favour of Bank Albilad. For the sub-facility line (2): The issuance of performance guarantees and advanced payment guarantees in relation to government and/or semi-government projects.
	Repayment For the facility: Maximum of seven years. – For the sub-facility line (1): 12 months. – For the sub-facility line (2): 48 months.
	Fees For the facility: SAIBOR + 2% or SOFR + ISDA fallback rate + 2%; – For the sub-facility line (1): 0.5% of the opening tariff and 0.5% per annum for delay. – For the sub-facility line (2): Per tariff.
Guarantees	– A promissory note issued by the Company for SAR 2,120,000,000 for each year during the term of the agreement. – Acknowledged assignment of revenues from government and semi-government projects financed by Bank Albilad, for which performance and advance payment guarantees have been issued, excluding the partial traditional credit limit of SAR 150,000,000. – Personal guarantee jointly issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi in respect of all obligations arising under the facilities agreement. – Bank Albilad has the right to request additional guarantees based on credit risk and market conditions. – All the Company's accounts with Bank Albilad, at all branches, regardless of their names or the currency, shall be considered as one account and shall serve as collateral, which Bank Albilad may use to fulfill all obligations at any time without further reference to Company.
Key Covenants	– Upon notifying the Company, Bank Albilad shall have the discretionary right to: • extend the term of the facility and the agreement to a later date, with the Company undertaking to provide any guarantees Bank Albilad may require and deem appropriate, without requiring the Company's signature on extension or renewal documents; • increase or decrease the fees, charges, and/or profit margins applicable to any facilities granted to the Company under this agreement; • request additional guarantees; and • reduce the facility limits granted to the Company, restrict them to specific transactions, or terminate this agreement. – The Company must submit cash flow reports for the financed projects and obtain the Bank Albilad's approval of these reports. – The Company undertakes to provide Bank Albilad with all information related to its financial position and any changes that may adversely affect its ability to fulfill its obligations to Bank Albilad. – The Company shall provide Bank Albilad with audited financial statements and final accounts, prepared by a certified auditor, within no more than ninety (90) days from the end of the fiscal year. – The Company shall provide quarterly financial reports or any other detailed reports requested by Bank Albilad from time to time. – The Company undertakes not to use the granted banking facilities except for the purpose for which they were granted, and in a manner consistent with Islamic Sharia provisions. – Payment of any due obligations or debts shall be made on their respective due dates without the need for any notice or reminder from Bank Albilad. The Company also authorizes Bank Albilad to settle any obligations, expenses, or fees due to Bank Albilad under this agreement from any of the Company's accounts or assets held with the Albilad Bank. – In case of any discrepancy between the Company's claim and Bank Albilad's records regarding transactions made between the Company and Bank Albilad, Bank Albilad's records shall be deemed conclusive and binding, except in cases of oversight or error. – The Company shall not cancel or delete its commercial registration or take any action that may result in its suspension or freezing by the competent authorities. – The Company shall obtain Bank Albilad's prior consent before changing its legal form. – The Company shall not create a pledge or security interest over its assets provided as security to Bank Albilad, and Bank Albilad may require the Company to notify it of any intention to pledge or create rights over any of the Company's assets. – Bank Albilad may assign all or part of its rights under this agreement to any party it chooses, with such rights transferring in full. The Company may not transfer its obligations without Bank Albilad's prior consent. – If the Company fails to pay amounts due within (10) working days from the due date, Bank Albilad may sell any funds, rights, guarantees, mortgages, or properties of the Company held with Bank Albilad to settle such obligations and may seize all the Company's balances. In the event of such seizure, Bank Albilad shall not be obliged to honor any checks or payment orders issued against these accounts, and the Company shall remain liable for all its obligations.

Item	Description
Termination and Acceleration of Payment	The deadlines specified in this agreement shall lapse, and all obligations shall become immediately due and payable without prejudice to any other terms of this agreement, and without the need for legal proceedings if a breach event occurred, which include, without limitation: - the Company's delay in fulfilling any of its obligations or commitments stipulated in this agreement; - breach of guarantees or warranties provided to Bank Albilad, or any act that may reduce their value, which could affect Bank Albilad's rights under the agreement; - breach of any rights or obligations towards third parties in a manner which, in Bank Albilad's sole discretion, may adversely affect the Company's financial position or activities; - bankruptcy of the Company or the loss of its legal status; and - dissolution, liquidation, sale, cessation of activity, change of legal entity, withdrawal, or death of any partner in the Company's existing legal entity.
Governing Law & Jurisdiction	The agreement is governed by, and construed in accordance with, the laws of the Kingdom. Any dispute arising from this agreement shall be referred to the relevant judicial authority in the Kingdom, if not resolved amicably.

Source: The Company

The Company sent a letter to Bank Albilad on 13/08/2025 regarding the Company's initial public offering of its shares on the financial market and the change of its legal form. On 20/08/2025, the Company obtained Bank Albilad's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form or any other restrictions related to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.6 Credit Facility Agreement with Alrajhi Bank

The Company entered into a credit facility agreement with Alrajhi Bank on 27/04/1447 (corresponding to 30/10/2024G), under which Alrajhi Bank shall provide the Company with multi-purpose credit facilities, for a total amount of SAR 1,000,000,000, until 30/10/2029G. The following is a summary of the key terms of the Agreement:

Table 11.16: Terms of the Credit Facility Agreement with Alrajhi Bank, dated 05/01/1447 (corresponding to 30/06/2025G)

Item	Description
Facility's Total Amount	SAR 1,000,000,000
Facility Expiration Date	The Agreement expires on 30/10/2029G
The Facilities	Tranche A
	Maximum SAR 100,000,000
	Purpose Issuance of bid bonds and financial guarantees in relation to government or semi-government projects.
	Availability Period 6 months for the bid bond. 12 months for the performance bond.
	Profit Margin and Fees - As per Central Bank's tariff for the issuance of a bid bond. 1% per annum for the performance bond. - As per the Alrajhi Bank's tariff for any variation.
	Tranche B
	Maximum SAR 1,000,000,000
	Purpose Issuance of performance bonds and advance payment for government or semi-government projects.
	Availability Period 60 months.
	Profit Margin and Fees - As per Central Bank's tariff for issuance. - As per Alrajhi Bank's tariff for any variation.

Item	Description								
	Tranche C								
	<table> <tr> <td>Maximum</td><td>SAR 1,000,000,000</td></tr> <tr> <td>Purpose</td><td>Issuance of letters of credit for working capital finance.</td></tr> <tr> <td>Availability Period</td><td>6 months from the opening date of such letter of credit.</td></tr> <tr> <td>Profit Margin and Fees</td><td> 0.50% fee for the issuance, opening, amending, postponing, and acceptance. - As per Central Bank's tariff for calling on the letters of credit. </td></tr> </table>	Maximum	SAR 1,000,000,000	Purpose	Issuance of letters of credit for working capital finance.	Availability Period	6 months from the opening date of such letter of credit.	Profit Margin and Fees	0.50% fee for the issuance, opening, amending, postponing, and acceptance. - As per Central Bank's tariff for calling on the letters of credit.
Maximum	SAR 1,000,000,000								
Purpose	Issuance of letters of credit for working capital finance.								
Availability Period	6 months from the opening date of such letter of credit.								
Profit Margin and Fees	0.50% fee for the issuance, opening, amending, postponing, and acceptance. - As per Central Bank's tariff for calling on the letters of credit.								
Guarantees	- Promissory Note issued by the Company for the value of SAR 1,000,000,000. - Assignment of proceeds of the financed projects holding a value of more than SAR 100,000,000. - Shareholders' personal guarantees issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi in respect of all obligations arising under the facilities agreement.								
Key Covenants	- The Company must provide the audited annual financial statements within 120 days, and unaudited semi-annual and quarterly financial statements. - The Company undertakes to not issue any new shares or change any rights thereof without the prior written consent of Alrajhi Bank. - The Company and its guarantors undertake to not change its ownership structure without the prior written consent of Alrajhi Bank. - The Company undertakes to not sell, lease, transfer, or otherwise dispose of any parts or all of its income or assets in relation to any other obligation, without the prior written consent of Alrajhi Bank. - The Company undertake to not pledge or otherwise establish any financial restriction on any of the current or future proceeds, excluding the permitted financial restrictions. - Alrajhi Bank retains the right to approve or decline the insurance on any pledged assets which are provided to guarantee the Company's performance under this agreement. - The Company must not suspend its activities or enter into any process of settlement with any of its creditors or commence any insolvency, liquidation, dissolution, or merge proceedings during the duration of the agreement. - If the Company intends to enter into a hedging agreement in relation to the facilities provided under this agreement, it must notify Alrajhi Bank, in writing, of the proposed hedging arrangement. If Alrajhi Bank declines to match the terms or does not provide a response within 10 business days, the Company may enter into the hedging agreement with a third party. - Alrajhi Bank may, at its own discretion, suspend or cancel parts or all of the facilities agreement if the Company fails to utilize the facilities during the availability period, without prejudice to any rights of Alrajhi Bank thereunder. In all cases, Alrajhi Bank retains a right to suspend, cancel or decrease the facilities agreement at its own discretion. - The Company may request prepayment of parts or all of the facilities after two years from the facilities agreement's execution date. - The Company must provide additional guarantees upon request. - The Company may not use the facilities amounts other than for the purposes the facilities were granted thereunder. - Alrajhi Bank has a right to assign a part or all of its rights created under the agreement to a third party without requiring the Company's consent. - Alrajhi Bank may, at its own discretion, amend any of the facilities agreement's provisions upon notice to the Company. Any objection to such amendments may result in cancellation of parts or all of the facilities.								
Termination and Acceleration of Payment	Events of default includes, but is not limited to, the following: - breach of any of the agreements' terms and conditions; - failure to pay any due amount or timely perform any obligation; - if any of the undertakings or guarantees provided under this agreement are incorrect or misleading; - If any execution, attachment, or other legal action is taken against the Company's business or assets, or if the Company becomes subject to any liquidation, insolvency, or any other similar proceedings; - if the company suspends business; - if any authorized signatory or representative has been deemed to have been acting in relation to the facilities agreement pursuant to an authorization that is unenforceable or invalid; or - if a substantial change occurs.								
Governing Law & Jurisdiction	The agreement is governed by the laws of the Kingdom, and any dispute arising from this agreement shall be referred to the relevant judiciary body in the Kingdom.								

Source: The Company

The Company sent a letter to Alrajhi Bank on 21/11/2024 regarding the Company's initial public offering of its shares on the financial market, the change of its ownership, and the change of its legal form. On 11/12/2024, the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form or any other restrictions related to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.8.7 Credit Facility Agreement with Saudi Awwal Bank

The Company entered into a credit facility agreement with Saudi Awwal Bank on 12/05/1446 (corresponding to 14/11/2024G), under which Saudi Awwal Bank shall provide the Company with multi-purpose credit facilities, for a total amount of SAR 1,000,000,000, until 14/11/2029G. The following is a summary of the key terms of the Agreement:

Table 11.17: Terms of the Credit Facility Agreement with Saudi Awwal Bank, dated 12/05/1446 (corresponding to 14/11/2024G)

Item	Description
Facility's Total Amount	SAR 1,000,000,000
Facility Expiration Date	The Agreement expires on 14/11/2029G
The Facilities	Tranche A
	Maximum A revolving facility in the amount of SAR 100,000,000
	Purpose Issuance of guarantees (bid bonds).
	Availability Period 1 year from the offer letter.
	Maximum Tenor 12 months.
	Profit Margin and Fees - Central Bank's tariff percentage per annum, with a minimum charge of SAR 500. - Default charge is 4% per annum above the prime rate. - Other bank charges and tariffs are as per SAB's charges and tariffs from time to time.
	Tranche A (Sub-tranche 1.1)
	Maximum Sub-Line revolving facility in the amount of SAR 100,000,000
	Purpose Issuance of guarantees (performance bonds).
	Availability Period 1 year from the offer letter.
	Maximum Tenor 60 months.
	Profit Margin and Fees - Central Bank's tariff percentage per annum, with a minimum charge of SAR 500. - Default charge is 4% per annum above the prime rate. - Other bank charges and tariffs are as per SAB's charges and tariffs from time to time.
	Tranche B – Standby Revolving Facility
	Maximum Revolving facility in the amount of SAR 900,000,000
	Purpose To be used in relation to engineering, procurement, and construction projects.
	Tranche B (Sub-tranche 2.1)
	Maximum Financing in the amount of SAR 90,000,000
	Purpose Issuance of performance bonds for engineering, procurement, and construction projects.
	Availability Period 1 year from the offer letter.
	Maximum Tenor 60 months.

Item	Description
Profit Margin and Fees	- Central Bank's tariff percentage per annum, with a minimum charge of SAR 500. - Default charge is 4% per annum above the prime rate. - Other bank charges and tariffs are as per SAB's charges and tariffs from time to time.
Tranche B (Sub-tranche 2.2)	
Maximum	SAR 180,000,000
Purpose	Issuance of advance payment guarantees for engineering, procurement, and construction projects.
Availability Period	1 year from the offer letter.
Maximum Tenor	60 months.
Profit Margin and Fees	- Central Bank's tariff percentage per annum, with a minimum charge of SAR 500. - Default charge is 4% per annum above the prime rate. - Other bank charges and tariffs are as per SAB's charges and tariffs from time to time.
Tranche B (Sub-tranche 2.3)	
Maximum	SAR 630,000,000
Purpose	Letters of credit in relation to import or local purchase of goods.
Availability Period	1 year from the offer letter.
Maximum Tenor	365 days.
Profit Margin and Fees	- Opening commission - Central Bank's tariff % P.A. with a minimum charge of SAR 500. - Acceptance commission – 0.375% per quarter or part thereof with minimum of SAR 500 payable in advance. - Default charge is 4% per annum above the prime rate. - Other bank charges and tariffs are as per SAB's charges and tariffs from time to time.
Guarantees	- Promissory Note issued by the Company for the value of SAR 1,000,000,000. - First rank assignment and pledge of receivables covering the outstanding financed projects.
Key Covenants	- The Company undertakes not to create or permit any unpermitted encumbrances over any of its assets or incur any unpermitted indebtedness without SAB's written approval. - The Company undertakes not to sell, lease, transfer, or otherwise make any unpermitted disposals, in whole or in part, any of its assets without SAB's written approval. - The Company undertakes not to make any facilities or grant any credit to or for the benefit of any person without SAB's written approval, unless it is for the purposes of ordinary course of business. - SAB has a right to, at its own discretion, cancel the facilities and require the Company to pay any outstanding amounts if the Company undergoes a change of control or ownership without obtaining SAB's prior written consent. - SAB may impose a default charge rate of 4% per annum above prime rate. - The Company must provide the audited annual financial statements of the most recent financial year, and its semi-annual financial statements. - The cross-default threshold is an amount equal to 1% of the Company's net assets as per the most recent audited annual financial statements. - SAB must be treated in pari passu with all other banks in respect to facilities repayment and securities. - Bid bonds must be issued for projects that are related to the Company's core business only. - The Company must provide reports on its projects' status on a quarterly basis. - The Company must submit the management interim accounts on a quarterly basis. - Current ratio shall not be less than 1:1 times current liabilities for each relevant period. - Leverage ratio shall not exceed 2:1 for each relevant period. - Tangible net worth shall at all times exceed SAR 1,500,000,000. - SAB may, in its sole discretion, amend the terms and conditions of the facilities. - The Company procured that no substantial change is made to the general nature of the business. - The Company must not effectuate any change in control or ownership without SAB's prior written consent.

Item	Description
Termination and Acceleration of Payment	Events of default include, but is not limited to, the following: – breach any of the facility agreement's term and conditions; – failure to pay any due amount or timely perform any obligation; – if any of the representations, warranties, or statements provided by the Company are deemed incorrect; – in case of indebtedness (other than permitted indebtedness pursuant to the agreement), insolvency, rescheduling, or the commencement of any legal procedure under the Bankruptcy Law in relation to the Company, its subsidiaries, its affiliates, or its guarantors; and – the occurrence of any event that SAB, at its own discretion, considers to have material adverse effect. SAB has a right, by notice to the Company, to undertake any of the following actions upon the occurrence of an event of default: – cancel part of or all facility lines; – require full or partial payment of any of the Company's liabilities or outstanding amounts under the facilities agreement; – enforce on any collateral provided by the Company; – demand a cash margin or demand increase on such margin, if previously provided by the Company, to an amount equal to the aggregate of all or part of the liabilities; or – take any other legal action it holds under the relevant jurisdiction.
Governing Law & Jurisdiction	The agreement is governed by the laws of the Kingdom, and any dispute arising from this agreement shall be referred to the competent courts in Riyadh, the Kingdom.

Source: The Company

The Company sent a letter To Saudi Awwal Bank on 05/12/2024G regarding the Company's initial public offering of its shares on the financial market, the change of its ownership, and the change of its legal form. On 10/12/2024, the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of legal form or any other restrictions related to the initial public offering of the Company's shares.

11.8.8 Credit Facility Agreement with Saudi National Bank

The Company entered into a credit facility agreement with Saudi National Bank on 23/10/1446 (corresponding to 21/04/2025G), under which Saudi National Bank shall provide the Company with credit facilities, for a total amount of SAR 2,760,646,196.70, until 13/11/1447H (corresponding 30/04/2026G), and this agreement was extended until 14/12/1447H (corresponding to 31/05/2026G). The following is a summary of the key terms of the Agreement:

Table 11.18: Terms of the Credit Facility Agreement with Saudi National Bank, dated 23/10/1446 (corresponding to 21/04/2025G)

Items	Description
Facility's Total Amount	SAR 2,760,646,196.70
Facility Expiration Date	The Agreement expires on 13/11/1447H (corresponding 30/04/2026G), and this agreement was extended until 14/12/1447H (corresponding to 31/05/2026G).
The Facilities	Tranche A
	Maximum – Facility line for SAR 2,360,646,196.70 – Sub-Facility line 1 for SAR 1,659,390,140.50 – Sub-Facility line 2 for SAR 37,500,000 – Sub-Facility line 3 for SAR 663,756,056.20
	Purpose Issuance of performance bonds, local content guarantees, and advance payment guarantees for the benefit of the Jubail and Buraydah Independent Water Transmission Pipelines Project.
	Term – Sub-Facility line 1: 74 months. – Sub-Facility line 2: 56 months. – Sub-Facility line 3: 49 months.
	Fees Saudi National Bank's tariff + 0.1 annually.
	Tranche B
	Maximum SAR 400,000,000

Items	Description
	Purpose Issuance of local and international -at sight and deferred payment- letters of credit, and financing outstanding letters of credit for the benefit of the Jubail and Buraydah Independent Water Transmission Pipelines Project. Term - Local and international at sight letters of credit: 12 months. - Local and international deferred payment letters of credit: 12 months. - Outstanding letters of credit: 6 months. Fees/Profit Margin - Fees of local and international at sight letters of credit: Saudi National Bank's tariff + 0.1 annually. - Fees of local and international deferred payment letters of credit: Saudi National Bank's tariff + 0.1 annually, with deferred payment charges of 0.5% annually. - Profit margin of outstanding letters of credit: SAIBOR + 0.9% annually.
Guarantees	- Assignment of project receivables covering the limits of the facility structure. - Shareholders' personal guarantee jointly issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi guaranteeing the Company's obligations under the Facilities Agreement. - Saudi National Bank may request additional guarantees at any given time.
Key Covenants	- If the Company provides any guarantees, pledges, liens, or any other security rights to another bank, Saudi National Bank must be treated in pari passu, or as otherwise agreed. - The Company undertakes to not merge, or change its legal form or ownership structure, unless it obtains Saudi National Bank's prior consent. - Saudi National Bank retains the rights to request cash collateral for the facility or increase the amount of the existing cash collateral. - Saudi National Bank may amend profit margins and fees in its sole discretion, subject to notifying the Company of such amendment. - Saudi National Bank has a right of set-off against all accounts of the Company under Saudi National Bank's custody and control, and all funds and financial and commercial instruments of the Company under Saudi National Bank's custody and control are considered collateral to the Company's obligations towards the Saudi National Bank. - Saudi National Bank has the right to impose a late penalty of 16% per annum on any outstanding amounts due. - Liquidity ratio shall not be less than 2.50 during the term of the facility. - Leverage ratio shall not exceed 1.50 during the term of the facility. - The Company must provide its annual financial statements at the end of each fiscal year or during it, along with any other information related to the Company's financial position, including any changes thereto or events that negatively affect the Company's ability to fulfil its obligations to the Saudi National Bank or any other institution. - Saudi National Bank may withhold, sell, or enforce against any amounts, financial or commercial instruments, or any other assets of the Company under Saudi National Bank's control to settle any of the Company's obligations towards the Saudi National Bank. - Saudi National Bank has a right to assign a part or all of its rights created under the Facility Agreement to a third party without requiring the Company's consent, and the Company may not assign any of its obligations without the prior written consent of the Saudi National Bank. - The Company undertakes to submit its first request for any banking and financial services to the Saudi National Bank, and may only obtain such services from other financial institutions if no agreement is reached between the Company and the Saudi National Bank.
Termination and Acceleration of Payment	- Saudi National Bank may, at its own discretion, suspend or cancel parts or all of the Facilities Agreement at any given time without requiring the Company's approval or notification. Upon such suspension or cancellation, all of the Company's obligations become immediately due and payable. - All the Company's obligations become due and payable if certain events happen, including: • failure to timely perform any obligation or undertaking under the Facility Agreement; • failure to provide required guarantees; • breach of any of the collaterals and guarantees the Company has provided in favour of the Saudi National Bank, or committing any action or procedure that may negatively affects their value or affects the Saudi National Bank's rights associated therewith; • if the Company fails to fulfil its obligations towards third parties in a manner that, in the sole discretion of the Saudi National Bank, negatively affects the Company's financial position; • if the Company suspends its business, is dissolved or liquidated, or becomes subject to enforcement proceedings against its assets; • if the Company undergoes a merger, change in legal form, or change in ownership without the prior consent of Saudi National Bank; and • if any of the Company's shareholders undergo liquidation or insolvency proceedings or any procedures related thereto.
Governing Law & Jurisdiction	The agreement is governed by the laws of the Kingdom, and any dispute arising from this agreement shall be referred to the relevant judiciary body in the Kingdom.

Source: The Company

The Company sent a letter to Saudi National Bank on 23/10/1446 (corresponding 21/04/2025G) regarding the Company's initial public offering of its shares on the financial market, the change of its ownership, and the provision of a general approval for the initial public offering and the waiver of any related restrictions. On 07/11/1446H (corresponding 05/05/2025G), the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the change of ownership or any other restrictions related to the initial public offering of the Company's shares.

11.8.9 Credit Facility Agreement with Arab National Bank

The Company entered into a credit facility agreement with Arab National Bank on 11/09/1446 (corresponding to 11/03/2025G), under which Arab National Bank shall provide the Company with credit facilities, for a total amount of SAR 1,000,000,000, until 11/09/1447H (corresponding 28/02/2026G), and this agreement was extended until 14/12/1447H (corresponding to 31/05/2026G). The following is a summary of the key terms of the Agreement:

Table 11.19: Terms of the Credit Facility Agreement with Arab National Bank, dated 11/09/1446 (corresponding to 11/03/2025G)

Item	Description
Facility's Total Amount	SAR 1,000,000,000
Facility Expiration Date	The Agreement expires on 11/09/1447H (corresponding 28/02/2026G), and this agreement was extended until 14/12/1447H (corresponding to 31/05/2026G).
The Facilities	Tranche 1
	Maximum Facility line for SAR 100,000,000
	Purpose Issuing Islamic bid bonds (Revolving Facility) in favor of beneficiaries acceptable to the Arab National Bank across both public and private sectors.
	Term Valid for one year from the date of issuance of the guarantee.
	Fees Saudi Central Bank tariff.
	Tranche 2
	Maximum SAR 900,000,000
	Purpose Issuing performance and advance payment guarantees as well as issuing letters of credit
	Conditions - Facilities shall not be activated except upon the approval of the Arab National Bank. - Providing a future mortgage for each financed project separately and registering it within a maximum period of 60 days from the date of issuance of the relevant guarantee.
	Fees Saudi Central Bank tariff.
	Tranche 2-A
	Maximum SAR 900,000,000
	Purpose Issuing performance and advance payment guarantees in favor of beneficiaries acceptable to the Arab National Bank. in both the public and private sectors.
	Term Valid for Five years from the date of issuance of the guarantee.
	Fees Saudi Central Bank tariff.
	Conditions - An assignment guarantees acceptable to the Arab National Bank and irrevocable, covering the contract payments in favor of the Arab National Bank, endorsed by the financed project owner. - A letter of assignment of the financed contract payments, in accordance with the template approved by the Arab National Bank.
	Tranche 2-B
	Maximum SAR 900,000,000

Item	Description
Purpose	issuance of letters of credit (payable at sight or deferred) and the bills of exchange drawn thereunder in favor of beneficiaries acceptable to the Arab National Bank, for the purchase of raw materials, equipment, and machinery related to the financed project.
Fees	- Saudi Central Bank tariff. - Deferral fee: 1.25% per annum
Conditions	- The goods must be fully insured against all risks in favor of the Arab National Bank, such insurance to be recorded in the policy, which must be issued by an insurance company acceptable to the Arab National Bank. - The tenor of the bills of exchange drawn under deferred letters of credit shall not exceed 12 months. - The validity period of deferred letters of credit, including the tenor of any bill of exchange drawn thereunder, shall not exceed 12 months.
Guarantees	- Promissory note in the amount of SAR 1,000,000,000 issued by the company and signed by the company and the guarantors. - Personal guarantee jointly issued by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi. - The proper assignment in favor of the Arab National Bank of the project payment certificates for which the final guarantee and/or the advance payment are issued through the Arab National Bank, endorsed by the project owner, provided that the Company signs a future mortgage contract for each project separately and registers it within a maximum period of 60 days from the date of issuance of the guarantee, and this condition shall apply specifically to Tranche (2). - The company undertakes to provide any other guarantees required by the Arab National Bank.
Key Covenants	- Arab National Bank shall have the right to impose a late payment penalty at a rate of the base rate additional to + 4% per annum on all amounts exceeding the overdraft limits, as well as on all overdue installments, and drafts, in addition to any other dues not paid on their due dates. - In the event of the issuance of any laws, regulations, decisions, orders, amendments to the interpretative instructions thereof, issuance of binding judicial rulings, or occurrence of any other exceptional circumstances that would increase the costs borne by the Bank or incurred by the Arab National Bank in granting or continuing these facilities, the Company undertakes to pay the Arab National Bank the required compensations and additional banking charges as part of the Arab National Bank indebtedness arising under this Agreement. The Client shall have no right to object to this for any reason whatsoever. - The Company undertakes to provide the Arab National Bank, within a period not exceeding 120 days after the end of each fiscal year, with a copy of the audited financial statements certified by an independent auditor acceptable to the Arab National Bank. In addition, the Company authorizes the Arab National Bank to obtain the audited financial statements directly from its external auditor. - The Company undertakes to notify the Arab National Bank immediately upon the occurrence of any Event of Default or Potential Event of Default. - The Company undertakes to maintain its financial, administrative, and legal status and the ownership of the Company, and not to change its activity as it is on the date of this Agreement, and to conduct its commercial activities in accordance with the applicable laws, regulations, approvals, agreements, and obligations in force. - The Company undertakes to provide any financial or other information related to the Company or any of the guarantors as reasonably requested by the Bank from time to time, immediately upon the Bank's request. - The Company undertakes to use the facilities only for the purposes specified in this Agreement. - The Company undertakes not to merge with any other entity or take any measures towards dissolving the Company. - The Company undertakes not to declare or pay any dividends or distributions to the shareholders, or repay any loans to the shareholders, in the event of any Event of Default. - The Company undertakes not to incur any financial indebtedness beyond the permitted liabilities permitted under the Agreement, or any other financial liabilities except in the course of its ordinary business. - The Company undertakes not to guarantee or to become, directly or indirectly or contingently, liable for any loss, damage, or expense as a result of the non-payment of any debt or obligation by any person, or the breach thereof, except as may be necessary in the ordinary course of its business. - The Bank shall have the right, for the purpose of settling any indebtedness owed to it by the Company, to perform a multilateral set-off in respect of any funds due to the Company with Al Arabi National for Investment or any other regulated entity engaged in financial activity, in accordance with the relevant regulation. - Arab National Bank may, from time to time and upon the Company's request, transfer limits between facilities and increase the amount of facilities granted to the client for a specified period, under such additional terms as the Bank may determine.

Item	Description
Termination and Acceleration of Payment	- In the event of the occurrence of any of the default events stipulated below, the Arab National Bank shall have the right to cancel the facilities, set off, and use any credit balance in any account of the Company to settle the amounts due, enforce any mortgage, and use all or any part of the sale proceeds to cover the amounts due, and all the facilities and the profits accrued thereon shall become immediately due and payable. Any of the following events shall constitute an event of default: • If the Company fails to pay any amount due to the Arab National Bank in accordance with this Agreement. • If the Company or any of the guarantors breaches the performance of their obligations or fails to duly and promptly fulfill them under this Agreement or any of its annexes, and the Company does not remedy such breach to the satisfaction of the Arab National Bank within the specified period starting from the date the Company receives the written notice of default. • If any representation or warranty made by the Company or any guarantor proves to be untrue or inaccurate. • If any indebtedness of the Company or any guarantor becomes due or is capable of being declared due prior to its stated maturity date, or is not paid when due; or if any attachment is enforced on all or any part of the business, assets, or property of the Company or any guarantor; or if any bankruptcy proceedings are initiated against either of them; Or the death of any guarantor or the loss of his legal capacity. • If the Company ceases to conduct any material part of its business, or substantially changes the nature or scope of its operations, or transfers a substantial part of its business or assets, or proposes to do any of the foregoing. • If any law, or order is issued, or any amendment to any law, or order is enacted or interpreted in a manner that alters, suspends, terminates, or exempts the client or any guarantor from performing their obligations under this Agreement or any deed or security document • If the Company fails to provide the Bank with the required financial data. • If there is any change in the ownership or control of the client.
Governing Law & Jurisdiction	This Agreement and its annexes shall be governed by and construed in accordance with the laws in force in the Kingdom of Saudi Arabia, and any dispute arising therefrom shall be referred to the Banking Disputes Committee in the Kingdom; however, the Arab National Bank shall have the right, at its sole discretion, to resort to any other judicial authority, whether inside or outside the Kingdom.

Source: The Company

The Company sent a letter to Arab National Bank on 10/11/1446 (corresponding 08/05/2025G) regarding the Company's initial public offering of its shares on the financial market, and the provision of a general approval for the initial public offering and the waiver of any related restrictions. On 28/01/1447H (corresponding 23/07/2025G), the Company obtained the Bank's approval for the offering of the Company's shares on the financial market and the Bank's waiver of any restrictions imposed under the relevant credit facility agreements relating to the initial public offering of the Company's shares, in addition to the cancellation of the personal guarantees provided by Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi and Terad Damouk Mutlaq Al-Ghowairi cancelled upon the listing of the Company's shares.

11.9 Insurance Policies

The Company maintains insurance policies covering the various types of risks to which it may be exposed. The following table sets out the key details of the insurance policies held by the Company:

Table 11.20: Key Details of the Insurance Policies Maintained by the Company

No.	Type of Coverage	Policy No	Premium (SAR)	Insurer	Coverage Amount / Maximum Limit of Compensation (SAR)	Coverage End Date
1.	Contractors All Risks Insurance	P/210/5501/23/00002583	SAR 598,020.70	Malath Cooperative Insurance Company	Sum Insured: SAR 1,093,722,064.59	27/06/1451H (Corresponding to 04/11/2029G)
2	Professional Indemnity Insurance	P/300/3603/26/000044	SAR 72,507.50	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 35,000,000.00	06/08/1448H (Corresponding to 14/01/2027G)

No.	Type of Coverage	Policy No	Premium (SAR)	Insurer	Coverage Amount / Maximum Limit of Compensation (SAR)	Coverage End Date
3	Workmen Compensation	P/300/3508/23/000045	SAR 226,294	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 804,799,616.00	29/01/1448H (Corresponding to 14/07/2026G)
4	Employer's Liability Insurance	P/300/3504/26/000046	SAR 20,757.50	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 18,000,000.00	06/08/1448H (Corresponding to 14/01/2027G)
5	Contractors Plant & Machinery	P/300/3505/26/000048	SAR 7,302.50	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 3,750,000.00	06/08/1448H (Corresponding to 14/01/2027G)
6	Professional Indemnity Insurance	P/300/3603/26/000044	SAR 72,507.50	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 35,000,000.00	06/08/1448H (Corresponding to 14/01/2027G)
7	Workmen Compensation	P/300/3508/23/000044	SAR 389,872.00	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 974,501,220.00	10/02/1449H (Corresponding to 14/07/2026G)
8	Employer's Liability Insurance	P/300/3504/26/000043	SAR 36,282.50	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 30,000,000.00	06/08/1448H (Corresponding to 14/01/2027G)
9	Contractors All Risks Insurance	P/300/3505/26/000045	SAR 10,407.50	Gulf Union Al Ahlia Cooperative Insurance	Limit: SAR 3,750,000.00	06/08/1448H (Corresponding to 14/01/2027G)
10	Contractors All Risks Insurance	P/300/3601/23/000128	SAR 65,000.00	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 267,267,050.00	04/01/1448H (Corresponding to 19/06/2026G)
11	Contractors All Risks Insurance	CAR/61903	SAR 230,536.00	Mutakamela Insurance	Sum Insured: SAR 558,831,047.00	13/11/1448H (Corresponding to 20/04/2027G)
12	Workmen Compensation & Employer's Liability Insurance	75168223	SAR 8,092,057.80	Gulf Union Al Ahlia Cooperative Insurance	Limit per employee: SAR 1,000,000	17/01/1448H (Corresponding to 02/07/2026G)
13	Contractors Plant & Machinery	P/300/3504/24/000213	SAR 35,322.66	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 3,750,000	04/01/1448H (Corresponding to 19/06/2026G)
14	Commercial Vehicles Insurance Policy	P/300/3603/24/000182	SAR 34,517.25	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 3,000,000.00	04/01/1448H (Corresponding to 19/06/2026G)
15	Commercial Vehicles Insurance Policy	36217	SAR 2,035,725.40	Gulf Union Al Ahlia Cooperative Insurance	Limit for each incident: SAR 10,000,000	17/01/1448H (Corresponding to 02/07/2026G)
16	Contractors Plant & Machinery	36219	SAR 77,961.95	Gulf Union Al Ahlia Cooperative Insurance	Limit for each incident: SAR 10,000,000	17/01/1448H (Corresponding to 02/07/2026G)
17	Comprehensive General Liability Insurance	P/300/3603/25/000270	SAR 129,930.45	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 20,000,000	16/02/1451H (corresponding to 28/06/2029G)

No.	Type of Coverage	Policy No	Premium (SAR)	Insurer	Coverage Amount / Maximum Limit of Compensation (SAR)	Coverage End Date
18	Professional Indemnity Insurance	P/300/3531/25/000379	SAR 361,672.70	Gulf Union Al Ahlia Cooperative Insurance	Limit: USD 50,000,000 (SAR 187,618,350)	19/05/1451H (corresponding to 28/09/2029G)
19	Workmen Compensation	P/300/3539/25/000375	SAR 1,061,069.35	Gulf Union Al Ahlia Cooperative Insurance	Limit: USD 10,000,000 (SAR 37,500,000)	19/05/1451H (corresponding to 28/09/2029G)
20	Employer's Liability Insurance	P/300/3504/25/000380	SAR 86,293.13	Gulf Union Al Ahlia Cooperative Insurance	Sum Insured: SAR 80,000,000	19/05/1451H (corresponding to 28/09/2029G)
21	Professional Liability Insurance	P/300/3505/25/000381	SAR 28,764.38	Gulf Union Al Ahlia Cooperative Insurance	Limit for each incident: SAR 3,750,000	19/05/1451H (corresponding to 28/09/2029G)
22	Contractors All Risks Insurance	P/300/3539/25/000332	SAR 569,307.50	Gulf Union Al Ahlia Cooperative Insurance	Limit for each claim: SAR 750,000,000	19/12/1448H (corresponding 25/05/2027G)
23	Contractors All Risks and Third Party Liability Insurance	P/300/3601/25/000222	SAR 2,817,557.50	Gulf Union Al Ahlia Cooperative Insurance	Limit: USD 50,000,000 (SAR 187,675,000)	19/12/1448H (corresponding 25/05/2027G)
24	Contractors All Risks Insurance	P/300/3601/25/000129	SAR 317,876.10	Gulf Union Al Ahlia Cooperative Insurance	Material damage limit: SAR 690,910,624 Civil liability limit: Up to SAR 5,000,000	14/05/1451H (corresponding 23/09/2029G)

Source: The Company

11.10 Real Estate Owned by the Company

The following table sets out the details of the real estate owned by the Company:

Table 11.21: Details of the Real Estate Owned by the Company

No.	Real Estate Owner Deed	Title Deed No.	Date of Title	Use and Location	Area (square meters)	Rights of Other Parties/Disputes	Book Value (SAR)
1.	Mutlaq Al-Ghowairi Contracting Company	899020002388	20/04/1444H	Usage: Empty land Location: Plot No. 859 to 862 from land plan No. 2934 located in Alnahda District, Riyadh, Saudi Arabia.	3,795.45m ²	N/A	11,386,350
2.	Mutlaq Al-Ghowairi Contracting Company	394270001305	23/06/1444H	Usage: Office Location: Plot No. 573 from land plan No. 01/20/58 located in Alrasheedyah District, Makkah, Saudi Arabia.	592m ²	N/A	850,000
3.	Mutlaq Al-Ghowairi Contracting Company	994270001251	06/06/1444H	Usage: Office. Location: Plot No. 574 from land plan No. 01/20/58 located in Alrasheedyah District, Makkah, Saudi Arabia.	600m ²	N/A	700,000

No.	Real Estate Owner Deed	Title Deed No.	Date of Title	Use and Location	Area (square meters)	Rights of Other Parties/Disputes	Book Value (SAR)
4.	Mutlaq Al-Ghowairi Contracting Company	499020002485	02/06/1444H	Usage: Office. Location: Plot No. 103 from land plan No. 982 located in Alnaqra District, Hail, Saudi Arabia.	773.54m2	N/A	70,000
5.	Mutlaq Al-Ghowairi Contracting Company	999020002487	02/06/1444H	Usage: Office Location: Plot No. 105 from land plan No. 982 located in Alnaqra District, Hail, Saudi Arabia.	833m2	N/A	55,000
6.	Mutlaq Al-Ghowairi Contracting Company	7990200002484	02/06/1444H	Usage: Warehouses Location: Plot No. 107 from land plan No. 982 located in Alnaqra District, Hail, Saudi Arabia	851m2	N/A	95,000
7.	Mutlaq Al-Ghowairi Contracting Company	899020002486	02/06/1444H	Usage: Warehouses Location: Plot No. 109 from land plan No. 982 located in Alnaqra District, Hail, Saudi Arabia	989.5m2	N/A	155,000
8.	Mutlaq Al-Ghowairi Contracting Company	499020002505	07/06/1444H	Usage: Office Location: Land plot No. 4 located in Alsafrat District, North Buraydah, Saudi Arabia.	907.25m2	N/A	1,650,000
9.	Mutlaq Al-Ghowairi Contracting Company	499020002503	07/06/1444H	Usage: Administrative Building Location: Plot No. 418 from land plan No. 1896 located in Alandalus District, Riyadh, Saudi Arabia.	621m2	N/A	173,880
10.	Mutlaq Al-Ghowairi Contracting Company	710113089155	23/09/1443	Usage: Central Workshop and Workers Housing Location: Plot No. 11 from land plan No. 3707/1 located in Alnatheem District, Riyadh, Saudi Arabia.	300,284.11m2	N/A	70,000,000
11.	Mutlaq Al-Ghowairi Contracting Company	299020002504	07/06/1444H	Usage: Administrative Building Location: Plot No. 414 and 419 from land plan No. 1896 located in Alandalus District, Riyadh, Saudi Arabia.	1,269m2	N/A	1,200,000
12.	Mutlaq Al-Ghowairi Contracting Company	820126013760	23/08/1444H	Usage: Warehouse and Workshop Location: Ar Rashidiyah, 24453, Makkah AlMukarramah, Saudi Arabia	37,349.4m2	N/A	4,000,000

Source: The Company

11.11 Lease Agreements

The Company has entered into 65 lease agreements with various lessors in the Kingdom. The following table sets out details the real estate leased by the Company:

Table 11.22: Details of Properties Leased by the Company

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
1.	Zainab Mohammad Saeed Mohammad Niazi	Used as employees' accommodation. Located in Aqlah Dani 8871, 4587, 23783.	400 m ²	SAR 42,500	- A term of 180 days, starting from 10/05/1447H (corresponding to 01/11/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G). - Automatic renewal.	Registered
2.	Mubarak Mabrook Barki Alharshni	Used as employees' accommodation. Located in Public Road, 4510, 6919, 25619.	20,021 m ²	SAR 30,000	- A term of 364 days, starting from 22/08/1447H (corresponding to 10/02/2026G) and ending on 02/09/1448H (corresponding to 09/02/2027G). - Automatic Renewal.	Registered
3.	Muslim Abeed Muslim Albluwi	Used as employees' accommodation. Located in Wael Bin Rabeeh, 4193, 7804, 49939.	Four units each with an area of 200 m ² , one unit with an area of 120 m ² and one unit with an area of 100 m ²	SAR 25,000	- A term of 58 days, starting from 02/08/1447H (corresponding to 21/01/2026G) and ending on 01/10/1447H (corresponding to 20/03/2026G). - Automatic Renewal.	Registered
4.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in Bani Amer Bin Loay 13215, 3528, 6757.	Four units each with an area of 120 m ² , four units each with an area of 115 m ² , one unit with an area of: 70 m ² and one unit with an area of: 75 m ²	SAR 220,000	- A term of 364 days, starting from 24/05/1447H (corresponding to 15/11/2025G) and ending on 04/06/1448H (corresponding to 14/11/2026G). - Automatic renewal.	Registered
5.	Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi	Used as employees' accommodation. Located in Mohammed Alhusaini 14241, 7402, 2248.	Six units, three units each with an area of 115 m ² , two units each with an area of 120 m ² and one unit with an area of 65 m ²	SAR 77,000	- A term of 364 days, starting from 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G). - Automatic renewal.	Registered
6.	Modhi Ajmi Senhat AlOtaibi	Used as employees' accommodation. Located in 7795, 3561, 13212.	Two units each with an area of 70 m ²	SAR 22,000	- A term of 364 days, starting from 23/12/1446H (corresponding to 19/06/2025G) and ending on 03/01/1448H (corresponding to 18/06/2026G). - Automatic renewal.	Registered
7.	Nowair Mdkhal Zaid Alghowairi	Used as employees' accommodation. Located in Hisham Bin Habairah, 14231, 7776, 2649.	One unit with an area of 115 m ² , one unit with an area of: 250 m ² and one unit with an area of: 110 m ²	SAR 59,000	- A term of 364 days, starting from 24/04/1447H (corresponding to 16/10/2025G) and ending on 04/05/1448H (corresponding to 15/10/2026G). - Automatic renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
8.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in 7286, 3147, 13221.	350 m ²	SAR 40,000	- A term of 364 days, starting from 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G). - Automatic renewal.	Registered
9.	Modhi Ajmi Senhat AlOtaibi	Used as employees' accommodation. Located in 7272, 3154, 13221.	One unit with an area of: 300 m ² and one unit with an area of: 270 m ²	SAR 70,000	- A term of 364 days, starting from 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G). - Automatic renewal.	Registered
10.	Modhi Ajmi Senhat AlOtaibi	Used as employees' accommodation. Located in 2876, 7017, 13221.	Four units each with an area of 110 m ² , four units each with an area of 125 m ² , one unit with an area of 60 m ² and one unit with an area of: 70 m ²	SAR 224,000	- A term of 364 days, starting from 06/01/1447H (corresponding to 01/07/2025G) and ending on 15/01/1448H (corresponding to 30/06/2026G). - Automatic renewal.	Registered
11.	Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi	Used as employees' accommodation. Located in Hassan Bin Aedh, 13221, 8050, 2839.	One unit with an area of 350 m ² and one unit with an area of 100 m ²	SAR 68,000	- A term of 364 days, starting from 07/02/1447H (corresponding to 01/08/2025G) and ending on 17/02/1448H (corresponding to 31/07/2026G). - Automatic renewal.	Registered
12.	Terad Damouk Mutlaq Alghowairi	Used as offices. Located in Obaidah Bin Harith 13221, 4033, 6922.	Two units each with an area of 73 m ²	SAR 60,000	- A term of 364 days, starting from 12/11/1446H (corresponding to 10/05/2025G) and ending on 22/11/1447H (corresponding to 09/05/2026G). - Automatic renewal.	Registered
13.	Terad Damouk Mutlaq Alghowairi	Used as offices. Located in Obaidah Bin Harith 13221, 4033, 6922.	Three units each with an area of 73 m ²	SAR 100,000	- A term of 364 days, starting from 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G). - Automatic Renewal.	Registered
14.	Mutlaq Damouk Mutlaq Al-Ghowairi Alotaibi	Used as employees' accommodation. Located in Abdullah Bin Duhaish, 13211, 4018, 8378.	Two units each with an area of 120 m ²	SAR 54,000	- A term of 364 days, starting from 23/11/1446H (corresponding to 21/05/2025G) and ending on 03/12/1447H (corresponding to 20/05/2026G). - Automatic renewal.	Registered
15.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in 3922, 6694, 24238.	Eight units each with an area of 115 m ² and eight units each with an area of 125 m ²	SAR 400,000	- A term of 364 days, starting from 03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G). - Automatic renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
16.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in 3437, 7565, 14232.	Two units each with an area of 110 m ² , two units each with an area of 120 m ² and one unit with an area of 115 m ²	SAR 115,000	- A term of 364 days, starting from 05/12/1446H (corresponding to 01/06/2025G) and ending on 14/12/1447H (corresponding to 31/05/2026G). - Automatic renewal.	Registered
17.	Terad Damouk Mutlaq Alghowairi	Used as offices. Located in Riyadh, Riyadh, 13249, 3631, 7383.	Four units each with an area of 80 m ²	SAR 230,000	- A term of 364 days, starting from 09/03/1447H (corresponding to 01/09/2025G) and ending on 18/03/1448H (corresponding to 31/08/2026G). - Automatic renewal.	Registered
18.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in Ibn Ibrahim Altelmasani, 13222, 4479, 7208.	One unit with an area of 120 m ² and one unit with an area of 125 m ²	SAR 60,000	- A term of 364 days, starting from 03/10/1446H (corresponding to 01/04/2025G) and ending on 12/10/1447H (corresponding to 31/03/2026G). - Automatic renewal.	Registered
19.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in Ghateef Bin Harthah, 13221, 3243, 7079.	One unit with an area of 120 m ² and one unit with an area of 125 m ²	SAR 70,000	- A term of 364 days, starting from 10/05/1447H (corresponding to 01/11/2025G) and ending on 20/05/1448H (corresponding to 31/10/2026G). - Automatic renewal.	Registered
20.	Afaq Alfikr AlAhlyah Company	Used as employees' accommodation. Located in Alsufaraa, 13253, 7729, 2688.	Two units each with an area of 30 m ² and two units each with an area of 20 m ²	SAR 128,784	- A term of 364 days, starting from 13/09/1446H (corresponding to 13/03/2025G) and ending on 23/09/1447H (corresponding to 12/03/2026G). - Automatic renewal.	Registered
21.	Afaq Alfikr AlAhlyah Company	Used as employees' accommodation. Located in Alsufaraa, 13253, 7792, 2688.	30 m ²	SAR 32,196	- A term of 364 days, starting from 25/01/1447H (corresponding to 20/07/2025G) and ending on 05/02/1448H (corresponding to 19/07/2026G). - Automatic renewal.	Registered
22.	Afaq Alfikr AlAhlyah Company	Used as employees' accommodation. Located in Alsufaraa, 13253, 7729, 2688.	Two units each with an area of 50 m ²	SAR 64,392	- A term of 364 days, starting from 22/10/1446H (corresponding to 20/04/2025G) and ending on 02/11/1447H (corresponding to 19/04/2026G). - Automatic renewal.	Registered
23.	Terad Damouk Mutlaq Alghowairi	Used as employees' accommodation. Located in Alsufaraa, 13253, 2635, 7431.	75 m ²	SAR 32,000	- A term of 364 days, starting from 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G). - Automatic renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
24.	Afaq Alfaker AlAhlyah Company	Used as employees' accommodation. Located in Alsofaraa, 13253, 7729, 2688.	Three units each with an area of 75 m ²	SAR 96,000	- A term of 364 days, starting from 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G). - Automatic renewal.	Registered
25.	Nourah Damouk Mutlaq Alotaibi	Used as offices. Located in Aamer Bin Mokhlid Alnajari, 13263, 8283, 3341.	13 units each with an area of 65 m ²	SAR 422,487	- A term of 364 days, starting from 10/06/1447H (corresponding to 01/12/2025G) and ending on 20/06/1448H (corresponding to 30/11/2026G). - Automatic renewal.	Registered
26.	Mowafaq Abdullah Mohammed Mubarah	Used for commercial purposes. Located in Khurais Branch Road, 13212, 6957, 4452	198 m ²	SAR 148,500	- A term of 729 days, starting from 29/04/1446H (corresponding to 01/11/2024G) and ending on 20/05/1448H (corresponding to 31/10/2026G). - Renewal by virtue of a new lease agreement.	Registered
27.	Saqer Moqhem Sulaiman Alharbi	Used as employees' accommodation. Located in 42715, 4279, 8110, Almadinah.	2800 m ²	SAR 24,000	- A term of 364 days, starting from 23/12/1446H (corresponding to 19/06/2025G) and ending on 03/01/1448H (corresponding to 18/06/2026G). - Renewal by virtue of a new lease agreement.	Registered
28.	Ibrahim Abdulkarim Mohammed Alsabhan	Used as employees' accommodation. Located in Prince Sultan Bin Abdulaziz 55421, 3504, 7621.	140 m ²	SAR 21,000	- A term of 364 days, starting from 12/07/1447H (corresponding to 01/01/2026G) and ending on 22/07/1448H (corresponding to 31/12/2026G). - Automatic Renewal.	Registered
29.	Mohammed Moghram Ahmed Al Shaye	Used as employees' accommodation. Located in Alazizyah, 59, 35416, 6997, 4417.	509 m ²	SAR 50,000	- A term of 364 days, starting from 25/09/1446H (corresponding to 25/03/2025G) and ending on 05/10/1447H (corresponding to 24/03/2026G). - Automatic Renewal.	Registered
30.	Sarhan Mubarak Mijri Alqahtani	Used as employees' accommodation. Located in 16335, 8383, 0463.	2000 m ²	SAR 50,000	- A term of 729 days, starting from 13/05/1446H (corresponding to 15/11/2024G) and ending on 04/06/1448H (corresponding to 14/11/2026G). - Renewal by virtue of a new lease agreement.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
31	Saud Lafi Jelawi Alharbi	Used as employees' accommodation. Located in 54841, 3474, 6304.	Two units, each with an area of 300 m ²	SAR 27,000	- A term of 729 days, starting from 29/05/1446H (corresponding to 01/12/2024G) and ending on 20/06/1448H (corresponding to 30/11/2026G). - Automatic Renewal.	Registered
32	Saud Mohammed Saud Alharbi	Used as employees' accommodation. Located in Al-Nahda District, Al-Hasaya Street, 54761, 4841, 6572.	Three units, each with an area of 192 m ²	SAR 35,000	- A term of 729 days, starting from 12/07/1446H (corresponding to 12/01/2025G) and ending on 03/08/1448H (corresponding to 11/01/2027G). - Automatic Renewal.	Registered
33	Saeed Hassan Mubarak Alshahrani	Used as employees' accommodation. Located in 13438, 2595, 8207.	225 m ²	SAR 50,000	- A term of 364 days, starting from 11/12/1446H (corresponding to 07/06/2025G) and ending on 20/12/1447H (corresponding to 06/06/2026G). - Renewal by virtue of a new lease agreement.	Registered
34	Mohammed Freaj Sulaiman Albluwi	Used as employees' accommodation and for commercial purposes. Located in 8871, 4400, Sadr Algharbiya, 43552, Al-Ula .	Four units each with an area of 120 m ² and one unit with an area of 150 m ²	SAR 137,509	- A term of 181 days, starting from 18/04/1447H (corresponding to 10/10/2025G) and ending on 21/10/1447H (corresponding to 09/04/2026G). - Automatic renewal.	Registered
35	Sulaim Olyan Sadoon Alharbi	Used as employees' accommodation. Located in 54267, 5072, 8880.	Four units each with an area of 120 m ² .	SAR 40,000	- A term of 729 days, starting from 18/02/1446H (corresponding to 22/08/2024G) and ending on 08/03/1448H (corresponding to 21/08/2026G). - Automatic Renewal.	Registered
36	Abdulrahman Ali Mohammed Alghamdi	Used as employees' accommodation Located in Alfawarah 36, 54841, 3115, 6791	5000 m ²	SAR 8,000	- A term of 729 days, starting from 02/06/1446H (corresponding to 03/12/2024G) and ending on 22/06/1448H (corresponding to 02/12/2026G). - Renewal by virtue of a new lease agreement.	Registered
37	Abdullah Faris Ali Alabdulaziz	Used as employees' accommodation. Located in Alimam Malik Street, 14718, 7351, 2536.	250 m ²	SAR 6,657	- A term of 89 days, starting from 28/06/1447H (corresponding to 19/12/2025G) and ending on 29/09/1447H (corresponding to 18/03/2026G). - Automatic Renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
38	Fahad Sameer Ghazi Alharbi	Used as employees' accommodation. Located in King Abdulaziz Al Saud Road, 8949, 2765, 54264.	One unit with an area of 80 m ² , one unit with an area of 70 m ² , one unit with an area of 75 m ² and one unit with an area of 65 m ²	SAR 50,000	- A term of 1,094 days, starting from 10/02/1446H (corresponding to 14/08/2024G) and ending on 11/03/1449H (corresponding to 13/08/2027G). - Renewal by virtue of a new lease agreement.	Registered
39	Mitaab Jabir Ghurman Alamri	Used as employees' accommodation. Located in Alfatat, 55424, 8662, 4887.	300 m ²	SAR 22,000	- A term of 364 days, starting from 18/08/1447H (corresponding to 06/02/2026G) and ending on 28/08/1448H (corresponding to 05/02/2027G). - Renewal by virtue of a new lease agreement.	Registered
40	Mohammed Ameen Badr Aldeen Saad Aldeen Hijazi	Used for commercial purposes. Located in King Abdulaziz Road, 12245, 4272, 4272.	300 m ²	SAR 43,125	- A term of 91 days, starting from 12/07/1447H (corresponding to 01/01/2026G) and ending on 14/10/1447H (corresponding to 02/04/2026G). - Automatic Renewal.	Registered
41	Mohammed Awad Jafoor Alenazi	Used for employees' accommodation. Located in 16341, 2158, 7659	5000 m ²	SAR 35,000	- A term of 729 days, starting from 21/03/1446H (corresponding to 24/09/2024G) and ending on 12/04/1448H (corresponding to 23/09/2026G). - Automatic Renewal.	Registered
42	Mohammed Yahya Hussain Horoby	Used for employees' accommodation. Located in 14516, 2530, 7090.	200 m ²	SAR 42,000	- A term of 364 days, starting from 22/05/1447H (corresponding to 13/11/2025G) and ending on 02/06/1448H (corresponding to 12/11/2026G). - Automatic renewal.	Registered
43	Furaih Abdullah Khalaf Alshammari	Used for employees' accommodation. Located in 34625, 3401, 7141.	Four units each with an area of 60 m ² , two units each with an area of 40 m ² , one unit with an area of 15 m ² and one unit with an area of 70 m ²	SAR 27,500	- A term of 181 days, starting from 18/04/1447H (corresponding to 10/10/2025G) and ending on 21/10/1447H (corresponding to 09/04/2026G). - Automatic renewal.	Registered
44	Mohammed Misaad bin Shalwah Almutairi	Used for employees' accommodation. Located in Abdullah bin Salem Albasri, 13268, 7418, 3540.	125 m ²	SAR 70,000	- A term of 364 days, starting from 03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G). - Automatic renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
45	Musaed Ali Mohammed Alfaer	Used for commercial purposes. Located in 4181, Ishbiliah 4, 6298, 35417, Aljubail.	700 m ²	SAR 150,000	- A term of 1092 days, starting from 16/02/1447H (corresponding to 10/08/2025G) and ending on 18/03/1450H (corresponding to 09/08/2028G). - Renewal by virtue of a new lease agreement.	Registered
46	Mutaeb Jaber Ghurman Alomri ⁽¹⁷⁾	Used for employees' accommodation. Located in Alfustat 55424, 8662, 4887.	257.99 m ²	SAR 18,000	- A term of 364 days, starting from 03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G). - Renewal by virtue of a new lease agreement.	Registered
47	Moawed Muflih Menwar Alrashidi	Used for employees' accommodation. Located in King Saud Road 55215, 8537, 3058.	150 m ²	SAR 20,000	- A term of 364 days, starting from 25/01/1447H (corresponding to 20/07/2025G) and ending on 05/02/1448H (corresponding to 19/07/2026G). - Renewal by virtue of a new lease agreement.	Registered
48	Sulaiman Jarwan Ahmed Jarwan	Used for employees' accommodation. Located in Alrubat, 55421, 7916, 3800.	440 m ²	SAR 43,000	- A term of 364 days, starting from 29/01/1447H (corresponding to 24/07/2025G) and ending on 09/02/1448H (corresponding to 23/07/2026G). - Renewal by virtue of a new lease agreement.	Registered
49	Mubarak Saeed Mubarak Alhajri	Used for employees' accommodation. Located in 5123, Alhafouf, 7739, Almadinah, 33261, Bugaig.	120 m ²	SAR 9,000	- A term of 183 days, starting from 18/08/1447H (corresponding to 06/02/2026G) and ending on 22/02/1448H (corresponding to 05/08/2026G). - Automatic Renewal.	Registered
50	Ibtihal Abdulaziz Abdulraheem Bin Mobred	Used for employees' accommodation. Located in 3943, Ali Al-Asfrayeeni, 8219, Al-Musfah, 14543, Riyadh	Two units each with an area of 787 m ²	SAR 180,000	- A term of 364 days, starting from 26/02/1447H (corresponding to 20/08/2025G) and ending on 06/03/1448H (corresponding to 19/08/2026G). - Renewal by virtue of a new lease agreement.	Registered
51	Yosef Marzouq Talea Almutairi	Used for employees' accommodation. Located in 2877, Nair, 8281, Al-Rimal, 13266, Riyadh	31.25 m ²	SAR 20,400	- A term of 364 days, starting from 20/05/1447H (corresponding to 11/11/2025G) and ending on 30/05/1448H (corresponding to 10/11/2026G). - Automatic renewal.	Registered

¹⁷ **Note:** The Company is currently in the process of renewing the agreement, and the renewed version of the agreement will be included in the final version of the Prospectus.

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
52	Yosef Marzouq Talea Almutairi	Used for employees' accommodation Located in 2877, Nair, 8281, Al-Rimal, 13266, Riyadh	31.25 m ²	SAR 21,600	- A term of 364 days, starting from 20/05/1447H (corresponding to 11/11/2025G) and ending on 30/05/1448H (corresponding to 10/11/2026G). - Automatic renewal.	Registered
53	Saleem Salem Owaith Alharbi	Used for employees' accommodation. 6527,4600,54761, Ali bin abi talib	600 m ²	SAR 30,000	- A term of 364 days, starting from 11/08/1447H (corresponding to 30/01/2026G) and ending on 21/08/1448H (corresponding to 29/01/2027G). - Automatic renewal.	Registered
54	Batoul Jameel Abbas Alnakhl	Used as office Located in 7675, Qutadah Bin Abi Aofi Al-Tamimi, 3280, Nubalaa, 42387, Al-Madinah AlMonawarah	Two units each with an area of 290 m ² , and one unit with an area of 150 m ²	SAR 55,000	- A term of 1095 days, starting from 10/05/1447H (corresponding to 01/11/2025G) and ending on 13/06/1450H (corresponding to 31/10/2028G). - Automatic renewal.	Registered
55	Nabil Mahmoud Abduljalil Barri	Used for employees' accommodation. Located in 6458, Hafs Ibn Musirah Al-Sanaani, 3502, Al-Sad, 42382, Al-Madinah AlMonawarah	one unit with an area of 200 m ² , and one unit with an area of 170 m ²	SAR 46,000	- A term of 364 days, starting from 10/05/1447H (corresponding to 01/11/2025G) and ending on 20/05/1448H (corresponding to 31/10/2026G). - Automatic renewal.	Registered
56	Rakan Awadh Rasheed Alharbi	Used for employees' accommodation. Located in 4529, Al-Jassah 3, 8203, Al-Jassah, 42389, Al-Madinah AlMonawarah	2800 m ²	SAR 40,000	- A term of 1460 days, starting from 05/03/1447H (corresponding to 28/08/2025G) and ending on 17/04/1451H (corresponding to 27/08/2029G). - Automatic renewal.	Registered
57	Abdulrahman Mohammed Abdulhaleem Khairallah	Used as office Located in 5188, 8492, Sad Alghabah, 42327, Al-Madinah AlMonawarah	227.79 m ²	SAR 35,000	- A term of 364 days, starting from 21/02/1447H (corresponding to 15/08/2025G) and ending on 01/03/1448H (corresponding to 14/08/2026G). - Renewal by virtue of a new lease agreement.	Registered
58	Mousa Abdulaziz Mousa Alsuwaida	Used for employees' accommodation. Located in 3886, Abdullah Al-Adawi, 7590, Al-Mahattah, 55461, Hail	100 m ²	SAR 18,600	- A term of 364 days, starting from 09/04/1447H (corresponding to 01/10/2025G) and ending on 19/04/1448H (corresponding to 30/09/2026G). - Automatic renewal.	Registered
59	Fatimah Abdulaziz Ali Almasri	Used for employees' accommodation. Located in 2967, Joail Ibn Ziyad Al-Ashjaei, 7194, Al-Minah B, 43511, Al-Ula	Five units each with an area of 150 m ² and one unit with an area of 100 m ²	SAR 250,000	- A term of 364 days, starting from 18/04/1447H (corresponding to 10/10/2025G) and ending on 28/04/1448H (corresponding to 09/10/2026G). - Automatic renewal.	Registered

No.	Lessor	Use and Location	Area (square meters)	Annual Lease Amount (SAR)	Lease Term and Renewal Mechanism (if any)	Ejar Registration Status
60	Sami Shouei Ali Aribi	Used for employees' accommodation. Located in 2337, Al-Itedal, 7690, Al-Dar Al-Baida, 14516, Riyadh	300 m ²	SAR 60,000	- A term of 364 days, starting from 10/05/1447H (corresponding to 01/11/2025G) and ending on 20/05/1448H (corresponding to 31/10/2026G). - Automatic renewal.	Registered
61	Fareeh Khalaf Alshammari	Used for employees' accommodation. Located in Al-Khobar, 34625, 3401, 7141	Unit with an are of 70 m ² , Four units with an area of 60 m ² , Three units with and of 40 m ²	SAR 27,500	- A term of 180 days, starting from 18/04/1447H (corresponding to 10/10/2025G) and ending on 21/10/1447H (corresponding to 29/04/2026G). - Automatic renewal.	Registered
62	Saleh Ghayeb Hubelees Alotaibi	Used for employees' accommodation. Located in 3112, Ibn Al-Muatamad, 7220, Al-Kaddadiyah Al-Gharbiyyah, 33285, Bugaig	400 m ²	SAR 20,000	- A term of 91 days, starting from 26/09/1447H (corresponding to 15/03/2026G) and ending on 28/12/1447H (corresponding to 14/06/2026G). - Automatic renewal.	Registered
63	Sami Ali Ahmad Ahmadi	Used for employees' accommodation. Located in 4290, Al-Aziziyah, 7150, Al-Aziziyah, 35416, Jubail	300 m ²	SAR 40,000	- A term of 364 days, starting from 23/03/1447H (corresponding to 15/09/2025G) and ending on 03/04/1448H (corresponding to 14/09/2026G). - Renewal by virtue of a new lease agreement.	Registered
64	Norah Saud Abdullah Aldosari	Used for employees' accommodation. Located in 6388, Qurtubah, 3651, Qurtubah, 35417, Jubail	300 m ²	SAR 42,000	- A term of 364 days, starting from 23/03/1447H (corresponding to 15/09/2025G) and ending on 03/04/1448H (corresponding to 14/09/2026G). - Renewal by virtue of a new lease agreement.	Registered
65	Rasheed Eissa Mohammed Alboainain	Used for employees' accommodation. Located in 3499, Street 127, 7277, 1, 35615, Jubail	55,000 m ²	SAR 300,000	- A term of 364 days, starting from 09/04/1447H (corresponding to 01/10/2025G) and ending on 19/04/1448H (corresponding to 30/09/2026G). - Renewal by virtue of a new lease agreement.	Registered

Source: The Company

11.12 Trademarks and Property Rights

As at the date of this Prospectus, the Company has registered one trademark in the Kingdom with the Saudi Authority for Intellectual Property under Class (37), which primarily relates to construction, building, installation, and repair. This registration is intended to reflect the Company's commercial identity and to support its business, competitive position, and distinctive character in the market. The Company also relies on its trademark in its dealings with third parties and in marketing its services, in addition to using it in its paper-based and electronic correspondence. Notwithstanding the registration of its trademark, the Company may still face challenges in monitoring unauthorized use of its trademark or other infringements of its intellectual property rights (for further details, please refer to Section 2.1.35 (*Risks Related to Protection of the Company's Intellectual Property Rights*)).

The following table sets out the key details of the trademarks registered by the Company.

Table 11.23: Table Details of the Company's Trademark

Category	Country of Registration	Protection Commencement Date and Date of Issuance of the Trademark Registration Certificate	Protection Expiration Date	Registration Number	Logo
37	The Kingdom	22/09/1445H (corresponding to 01/04/2024G), and the certificate was issued 08/05/1446H (corresponding to 10/11/2024G)	22/09/1455H (corresponding to 14/12/2033G)	TM-01-00-12429-24	

11.13 Zakat and Tax Status of the Company

The Company is subject to the applicable Zakat and tax laws and regulations in the Kingdom, including the regulations issued by ZATCA. The Company has filed its Zakat returns for all financial years since its incorporation up to and including the financial year ended 31 December 2024. It has received Zakat assessments for all financial years up to the financial year ended 31 December 2018, while its zakat returns for the years 2020G through 2025G are still under review by ZATCA. The Company's Zakat provisions amounted to SAR 59.6 million, SAR 74.1 million, SAR 99.1 million, and SAR 135.6 million as at 31 December 2022, 31 December 2023, 31 December 2024, and 30 June 2025, respectively.

11.14 Litigation, Claims and Legal Proceedings

11.14.1 Lawsuits Filed by the Company

The following table outlines the lawsuits filed by the Company as at 13/11/1447H (corresponding to 30/04/2026G):

Table 11.24: Summary of Lawsuits Filed by the Company

No.	Date	Plaintiff	Defendant	Type of Dispute	Dispute Description	Amount (in SAR)	Current Status
1.	27/11/1446H	The Company	Va Tech Wabag Company	Commercial Claim	A compensation claim against the defendant for damages resulting from the improper performance of the works	SAR 2,756,780	Under review
2.	21/04/1447H	The Company	One of the Company's clients	Commercial Claim	A compensation claim against the defendant for a project time extension	SAR 30,961,647	Under review
Total:						SAR 33,718,427	

Source: The Company

11.14.2 Lawsuits Filed Against the Company

The following table outlines the lawsuits filed against the Company as at 13/11/1447H (corresponding to 30/04/2026G):

Table 11.25: Summary of Lawsuits Filed Against the Company

No.	Date	Defendant	Type of Dispute	Dispute Description	Amount (in SAR)	Current Status
1.	15/02/1446H	the Company	Claim for responsibility owed for a harmful act	The plaintiff hit rocks on a road under the Company's responsibility	SAR 11,000	Under review
2.	03/04/1447H	the Company	Claim for responsibility owed for a harmful act	Damages to the plaintiff's vehicle	SAR 53,000	Under review
3.	06/03/1447H	the Company	Traffic claim	the defendant caused a traffic accident to the plaintiff	SAR 20,057	Under review
4.	20/04/1447H	the Company	Labour claim	Monetary entitlements claim	SAR 43,877	A first-instance judgment was issued dismissing the case, and the case is currently under review before the Court of Appeal
5.	20/05/1447H	the Company	Labour claim	Monetary entitlements claim	SAR 1,440,000	Under review
6.	17/08/1447H	the Company	Traffic claim	Damage to the Plaintiff's Vehicle	SAR 15,230	Under review
7.	22/08/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	Adjustment of fault percentage	Under review
8.	27/08/1447H	the Company	Commercial Claim	Claim for compensation for litigation expenses	SAR 43,600	Under review
9.	06/09/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	SAR 17,000	Under review
10.	22/09/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	SAR 5,545.49	Under review
11.	06/10/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	SAR 45,000	Under review
12.	25/10/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	SAR 68,000	Under review
13.	26/10/1447H	the Company	Claim for responsibility owed for a harmful act	The defendant caused a traffic accident to the plaintiff	SAR 7,202	Under review
Total:					SAR 1,769,502.49	

Source: The Company

11.15 Summary of the Company's Bylaws

The following sets out a summary of the Company's Bylaws:

Incorporation

The Company is incorporated as a Saudi joint stock company, pursuant to the Companies Law issued by Royal Decree No. M/132, dated 01/12/1443H, and its implementing regulations, as per the following.

Name of the Company

Mutlaq Al-Ghowairi Contracting Company (Closed Joint Stock Company).

Headquarters of the Company

The head office of the Company shall be located in Riyadh. The Company may establish branches inside and outside Saudi Arabia by a resolution from the Board of Directors of the Company.

Objectives of the Company

The Company carries out and undertakes the following objects:

Table 11.26: The Company's Objects:

Classification	Category
Water supply, sewerage, and waste management and remediation	Wastewater collection, treatment, and supply
Construction	Construction of buildings
Construction	Construction of railways and subways
Construction	Construction of utility projects
Construction	Construction of other civil engineering projects
Construction	Electrical installation
Construction	Plumbing, heat and air-conditioning installation
Construction	Other construction installation
Transportation and storage	Land transport of goods
Transportation and storage	Transport via pipelines
Transportation and storage	Service activities incidental to land transportation
Administrative and support services	Other building and industrial cleaning activities

Source: The Company

The Company shall carry out its objects in accordance with applicable laws, after obtaining the necessary licenses from the competent authorities, if any.

Term of the Company

The term of the Company is indefinite.

Share Capital

The issued share capital of the Company is set at eight hundred million SAR (800,000,000), divided into eight hundred million (800,000,000) equal nominal shares, each with a value of SAR (1), all of which are ordinary shares in exchange for cash interest. The cash portion paid up amounts to eight hundred million SAR (800,000,000). The paid-up cash amounts of the issued capital were deposited with a licensed bank.

Subscription to Shares

The Shareholders have subscribed in full to the entire issued share capital, amounting to eight hundred million SAR (800,000,000), all of which is fully paid-up.

Shareholder Register

1. The Company shall prepare a shareholders register that includes the Shareholders' names, nationalities, their information, places of residence, professions, number of shares owned by each shareholder, numbers assigned to such shares, and the amount paid for such shares. The Company may contract for the preparation of this register and shareholders register shall be kept in Saudi Arabia.
2. The Company shall submit the details included in the shareholders register, referred to above in Paragraph (1), and any amendments thereto, to the commercial register within 15 days from the date the Company is registered with the commercial register or the date of any amendments, as the case may be.

Share Trading

The Company's shares shall be traded by registration in the shareholders' register and the transfer of ownership of the shares shall not be effective as against the Company or third parties except from the date on which such transfer is recorded in such register.

Sale of Unpaid Shares

1. Shareholders shall pay the outstanding value of the share price on the dates specified for the same. If a Shareholder fails to make payment by the due date, the Board of Directors may, after notifying the Shareholder through the Managing Director, registered mail or any other modern technological means, sell such shares at a public auction or on the Exchange, as the case may be.
2. The Company shall collect the due amounts from the proceeds and return the balance to the Shareholder. If the proceeds fail to cover such amounts, the Company may recover the balance from all of the Shareholder's funds.
3. The rights attached to the unpaid shares shall be suspended until they are sold or the due amount thereof is paid in accordance with Paragraph (1) of this article. Such rights include the right to a portion of the net profits that are to be distributed and the right to attend General Assemblies and vote on resolutions thereof. However, defaulting Shareholders may, up until the date set for sale of the shares, pay the outstanding dues in addition to any expenses incurred by the Company in this regard. In such case, the relevant Shareholders shall be entitled to claim any dividends resolved to be distributed.
4. The Company shall cancel the certificates of the sold shares in accordance with the provisions of this article and issue a new share certificate for such shares bearing the same numbers as the canceled shares. A notation shall be made in the Shareholder register indicating the sale of such shares and the relevant details of the new owner.

Decrease of Capital

1. The Extraordinary General Assembly may resolve to reduce the Company's share capital if it is in excess of the Company's needs or if the Company suffers losses. In the latter case only, the share capital may be reduced below the limit stipulated in Article 59 of the Companies Law. The reduction resolution shall be issued after a statement prepared by the Board of Directors is read at a General Assembly regarding the reasons for the reduction, the Company's obligations and the impact of the reduction on the fulfillment thereof. A report from the Company's auditor shall also be attached to such statement.
2. If the reduction in share capital is a result of being in excess of the Company's needs, the creditors shall be invited to express their objections, if any, to the reduction at least forty-five (45) days prior to the date specified for the Extraordinary General Assembly meeting on the reduction of share capital. The invitation shall be accompanied by a statement which sets out the amount of the share capital before and after the reduction, the date of the meeting and the effective date of the reduction. If any of the creditors objects to the reduction and submits documentation to the Company by the aforementioned deadline, the Company shall pay the relevant debt if it is due or provide the creditor with sufficient guarantee of payment thereof if such debt is due at a later date.

Shareholders holding shares of the same type and class shall be treated on an equal footing when reducing the share capital.

Preferred or Redeemable Shares

The Extraordinary General Assembly of the Company's Shareholders, in accordance with the criteria established by the competent authority, may issue preferred or redeemable shares, or may resolve to purchase or convert shares of one type or class to another type or class. Preferred shares do not grant their holders the right to vote at General Assemblies of the Company's Shareholders, except as provided by the laws and regulations. Preferred shares shall entitle their holders to receive a higher percentage of the Company's net profits in comparison to holders of ordinary shares, after the setting aside of reserves, if any.

The Company's Purchase, Sale and Pledge of its Shares

1. The Company may purchase its ordinary, preferred or redeemable shares or sell, pledge or mortgage such shares in accordance with the applicable laws and regulations.
2. The purpose of a buyback of shares may be to retain such shares as treasury shares in accordance with applicable laws and implementing regulations.
3. The Company may adopt employee share plans and allocate the treasury shares resulting from a share buyback and/or from shares issued pursuant to a capital increase conducted in accordance with these bylaws to employees of the Company and/or its subsidiaries, in accordance with applicable laws and regulations.
4. The preferred shares shall be cancelled once the Company completes the buy-back, and the Company shall take the regulatory measures required to decrease its share capital.

Debt Instruments or Sukuk

1. The Company may issue debt instruments or Sukuk that are of equal value, tradable and indivisible, in accordance with the provisions of the Companies Law.
2. The Company may (by way of a resolution of the Board of Directors) issue tradable debt instruments of any type, such as bonds or Sukuk, in Saudi Riyals or in any other currency, whether inside or outside the Kingdom, at such times, in such amounts and on such terms as the Board of Directors may determine. The Board shall have the power to take all necessary actions for their issuance in accordance with the Capital Market Law and other applicable laws and regulations. Furthermore, the Company may issue debt instruments or financing instruments convertible into shares, pursuant to a resolution issued by the Extraordinary General Assembly specifying the maximum number of shares that may be issued in exchange for such instruments or Sukuk, whether issued simultaneously or through a series of issuances or under one or more programs for the issuance of debt or financing instruments. The Company's Board of Directors, without needing to obtain a new approval from the Extraordinary General Assembly, may issue new shares in exchange for such instruments or Sukuk whose holders request their conversion, immediately after the end of the conversion request period specified for the holders of those instruments or Sukuk. The Company's Board of Directors shall follow the necessary procedures to amend the Company's Bylaws with respect to the number of issued shares and the share capital. The Board of Directors must register the completion of the procedures for each share capital increase with the Commercial Register.

Management of the Company

- a. The management of the Company shall be entrusted to a Board of Directors composed of seven (7) members, who shall be natural persons, elected by the Ordinary General Assembly of Shareholders for a term not exceeding four (4) years.
- b. The modus operandi of the Board of Directors is as follows:

The meeting shall be deemed quorate if attended by 50% of the Members of the Board of Directors.

The quorum for passing Board resolution shall be 51% of the members.

Members of the Board of Directors may appoint a proxy to attend meetings on their behalf.

1. The remuneration of the Board of Directors shall be a certain amount, attendance allowance for attend meetings, in-kind benefits, a percentage of the net profits, or as determined by the General Assembly.
2. The Board of Directors' report to the Ordinary General Assembly in its annual meeting shall include a comprehensive statement of all the amounts received by or owed to the Board members during the financial year in relation to remuneration, allowances for attend meetings, expenses allowance and other benefits, as well as the amounts received by the Board members in their capacity as officers or

executives of the Company, or in consideration for technical, administrative or advisory services. The report shall also include a statement of the number of Board meetings and the number of meetings attended by each Board member.

Expiration of Board Membership

Membership of the Board shall terminate upon the expiry of its term or upon the termination of a member's eligibility in accordance with any applicable laws or regulations in force in the Kingdom. In addition, the General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any member who fails to attend (three) consecutive meetings or (five) non-consecutive meetings during his term of membership without a legitimate excuse acceptable to the Board of Directors.

End of the Board's Term, Resignation of the Members, or Vacancy of the Membership

1. Prior to the expiration of its term, the Board must call for the Ordinary General Assembly to convene for the election of a new board for a new term. If it is not possible for an election to be held, and the current Board's term has expired, the Directors shall continue to perform their duties until a new board is elected for a new term, provided that the interim period of the outgoing directors does not exceed the period specified in the Implementing Regulation of the Companies Law.
2. If the Chairman and the Directors resign, they must call for the Ordinary General Assembly to convene for the election of a new board. The resignation shall not take effect until the new board is elected, and the interim period of the resigning board shall not exceed the period specified in the Implementing Regulation of the Companies Law.
3. A Director may resign from the Board by providing written notice to the Chairman. If the Chairman resigns, the notice shall be addressed to the remaining Directors and the Board Secretary. In both cases, the resignation shall take effect from the date specified in the notice.
4. If the position of a Director becomes vacant due to death or resignation of one of its members, and the quorum required for holding Board meetings is not affected by such event, the Board may (temporarily) appoint a qualified individual to fill the vacant position. The Commercial Register and the CMA if it's listed in the Exchange Market must be notified of such appointment within (fifteen) days thereof. Such appointment shall be presented to the Ordinary General Assembly at its first meeting, and the temporarily appointed Director shall serve for the remainder of the term of their predecessor.
5. If the Board of Directors is unable to convene due to the number of its members falling below the minimum required quorum as stipulated in the Companies Law or these Bylaws, the remaining Directors shall call for an Ordinary General Assembly to convene within (sixty) days to elect the required number of Directors.

Powers of the Board

1. Without prejudice to the powers reserved to the General Assembly, the Board of Directors shall have the broadest powers to manage the Company, supervise its affairs, and achieve its objectives. For this purpose, the Board of Directors may exercise all powers and undertake all acts and transactions that the Company is entitled to carry out pursuant to these Bylaws, except for those acts or matters that are expressly reserved to the General Assembly under a specific provision.
2. Directors, jointly or severally, may represent the Company in its dealings with third parties. In this regard, they have the power to, inter alia, represent the Company and sign with its name and on its behalf in dealings with third parties, Government, public and private entities, notaries public, dispute resolution committees of all kinds, civil rights, police stations, chambers of commerce and industry, private entities, companies, institutions of all kinds, individuals, companies, and all Government and private financing funds, institutions, banks and financial institutions, both Saudi and non-Saudi.
3. Directors, jointly or severally, shall have the authority to sign all types of contracts, documents and instruments, including, but not limited to, articles of association of companies in which the Company holds shares, along with all amendment resolutions and amendments thereto and supplements thereof; signing agreements, contracts, and participation in tenders, as well as loan agreements, guarantees, pledges, mortgages, lease agreements, purchase and sale and transfer of property agreements (including real estate, land and shares); in addition to all other contracts and agreements. The Directors also have the power to receive and pay amounts; open bank accounts within and outside the Kingdom; open and settle letters of credit; withdraw and deposit from the Company's accounts with banks within and outside the Kingdom; issue all types of bank guarantees; and sign all papers, documents, checks, and all banking transactions. Directors, jointly or severally, shall have the authority to enter into commitments, loans, or financial facilities of any duration.

4. The Board of Directors shall have the authority to establish and form Board committees emanating from the Board, and prepare and approve all matters related to corporate governance, as well as internal manuals and policies related to the Company's works and development, including, but not limited to, the Company's internal financial, administrative and technical regulations, in addition to employee regulations, except for committees, policies and regulations that require the approval of the General Assembly.
5. The Board of Directors shall have the authority to establish subsidiaries, participate in other companies in accordance with the Company's interests, determine their share capital, approve the sale of shares and stocks therein, and amend their articles of association.
6. The Board of Directors shall have the authority to hire and terminate employees; determine their remuneration; apply for and extract visas, residency permits and work permits; recruit employees; transfer their services; and issue financial and administrative regulations, as well as all regulations necessary for the Company's works. The Board of Directors shall have the authority to engage such Saudi and non-Saudi advisors and experts as they determine and to determine their remuneration and financial entitlements.
7. The Board of Directors shall have the authority to settle, waive, contract, commit, undertake and act with the name and on behalf of the Company. They shall also have the right to litigate on behalf of the Company, collect its debts, and accept settlements and arbitration, subject to the provisions of the applicable laws thereof.
8. The Board of Directors shall have the authority to issue powers of attorney and delegate some or all of these powers by means of a power of attorney or any other written authorization to another person or persons. They shall also have the authority to delegate to the Company's Management the power to sign on behalf of the Company within the limits of rules set by the Board.
9. The Board of Directors shall have the authority to release the debtors of the Company from their obligations in accordance with its interests, and in compliance with the applicable accounting standards for debt write-off.
10. The Board of Directors shall obtain the approval of the General Assembly for the sale of Company assets, in cases where the value of such assets exceeds fifty percentage (50%) of the value of its total assets, whether the sale is made through one or more transactions. In such case, the transaction which leads to the sale of more than fifty percent (50%) of the value of assets shall require the General Assembly's approval. The said percentage shall be calculated from the date of conclusion of the first transaction within the previous twelve months (12) months.
11. The Board of Directors may delegate one or more of its members or of third parties to undertake a specific action(s) that fall(s) under its competence.

Remuneration of Directors

1. The remuneration of Directors shall consist of a percentage of the net profits, in-kind benefits, attendance allowance for attend meetings, a fixed amount, or as determined by the General Assembly.
2. The report of the Board of Directors to the annual General Assembly shall include a comprehensive statement of all remuneration, attendance allowance for attend meetings, expense allowances, and other benefits received or entitled to be received by each Director during the financial year. Furthermore, such report shall include a statement of all amounts received by the Directors in their capacity as employees or executives, or in consideration for any technical, administrative or consulting work performed. Additionally, the report shall include a statement of the number of Board meetings held and the number of meetings attended by each Director.

Powers of the Chairman, Vice-Chairman, Managing Director and Board Secretary

1. The Board of Directors shall appoint a Chairman and a Vice Chairman from among its members. The Board of Directors shall appoint a Secretary from among its members or third parties.
2. The Chairman shall convene and preside over meetings of the Board; represent the Company in its relationship with third parties and before all Government entities, companies, individuals, courts of all levels and classes, notaries public, the Board of Grievances, offices for the resolution of disputes pertaining to commercial papers, arbitration tribunals, and chambers of commerce and industry of all types and classes. To this end, the Chairman shall have the authority to plead and defend on behalf of the Company; submit evidence and documents; conclude settlements, waivers, and releases; deny, discharge and acknowledge; request an oath to be taken within the limits of the resolutions issued by the Board; receive judgments; appeal and enforce judgments. Additionally, the Chairman shall follow up with the Ministry of Commerce and the Ministry of Investment; apply for, make additions to and deletions from, request copies in lieu of

lost, amend, write off and cancel commercial registers and licenses. The Chairman shall have the authority to sign the articles of association of companies established by the Company, whether or not established solely thereby, including increases in the share capital of such companies, as well as to sign other contracts, instruments, and title deed transfers before notaries public and public and private authorities. Furthermore, the Chairman shall have the authority to sign contracts, loan agreements and other financial agreements, mortgages, and leases as determined by the Board of Directors. Moreover, the Chairman shall have the authority to delegate or authorize third parties, pursuant to a written resolution, to perform a certain act(s) that fall under their powers. In the absence of the Chairman, the Vice-Chairman shall assume the duties of the Chairman.

3. The Board of Directors shall appoint the Company's CEO who shall be responsible for managing, operating and overseeing the Company's day-to-day affairs in accordance with the directives and decisions of the Board of Directors. The CEO shall have such powers and authorities as may be determined by the Board of Directors.
4. The Board of Directors shall appoint a Secretary, selected from among its members or from others. The Secretary shall be responsible for recording the deliberations and resolutions of the Board, documenting them in minutes signed by the Secretary, the Directors present at each meeting, and the Chairperson of the meeting, and for recording such minutes in a special register prepared for this purpose.
5. The Chairman of the Board may (by way of a written resolution) delegate some of their powers to other Directors or third parties to carry out specific tasks or duties. In the event of the Chairman's absence, the Vice-Chairman shall act in their place, provided that the Board of Directors has appointed a Vice-Chairman.

Board Meetings

1. The Board of Directors shall convene at least (4) times a year at the invitation of the Chairman. The Chairman shall call for a Board meeting whenever any Director so requests in writing to discuss one or more matters.
2. The Board of Directors shall determine the location for holding its meetings and may hold its meetings using modern technological means.

Board Meetings and Resolutions

1. A board meeting is not valid unless attended by at least 50% of the members either in person or by proxy.
2. (a) On the condition that the number of those present is not less than 3 Board members. A member of the Board may give proxy to another member of the Board to attend the meeting on the behalf thereof, according to the following rules (i) such proxy member does not act as proxy for more than one member; (ii) the proxy is given in writing; and (iii) the proxy may not vote on resolutions in respect of which the Companies Law prohibits the principal from voting.
3. Resolutions of the Board of Directors shall be adopted by a majority of the votes of the members present in person or by proxy. In the event of a tie, the vote of the Chairperson of the meeting shall prevail.
4. Resolutions of the Board take effect from the date such resolutions are issued unless it states an alternative effective date or sets certain conditions for it to take effect.

Board Resolutions in Urgent Matters

The Board may adopt resolutions in urgent matters by presenting them to all members by way of circulation, unless a member requests in writing that a Board meeting be convened to deliberate on such resolutions. A circular resolution shall be effective if signed by the majority of the Board, and shall be presented to the Board at its first subsequent meeting to be recorded in the minutes of that meeting.

Deliberations of the Board

1. The deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the Secretary and signed by the Chairman of the meeting, the attending Directors, and the Secretary.
2. Such minutes shall be recorded in a dedicated register signed by the Chairman and the Secretary.
3. Modern technological means may be used to sign and record deliberations, resolutions and minutes.

Shareholder General Assembly Meeting

1. The meetings of the General Assembly shall be chaired by the Chairman or otherwise, in the absence of the Chairman, the Vice Chairman, or the Board member delegated by the Board. Otherwise, where the foregoing proves impossible, the meetings of the General Assembly shall be chaired by whoever is elected by the shareholders, by virtue of voting, from amongst the Board of Directors or third parties.
2. Each shareholder shall have the right to attend meetings of the General Assembly and may appoint another person, other than a member of the Board of Directors, to attend on their behalf.
3. The meetings of the General Assembly may be held, and the Shareholders may participate in the deliberations and voting on resolutions, using modern technological means.

Invitation to Meetings

1. General and Special Assemblies of Shareholders shall convene at the invitation of the Board of Directors. The Board of Directors shall call for the Ordinary General Assembly to convene within (thirty) days from the date of the request of the Auditor or one or more Shareholders representing at least (ten percent) of the Company's shares with voting rights. The Auditor may call for the Ordinary General Assembly to convene if the Board does not send the invitation within (thirty) days from the date of Auditor's request.
2. The request referred to in Paragraph (1) of this article shall specify the matters on which the Shareholders are required to vote.
3. The invitation to convene the Assembly shall be sent at (least twenty-one) days prior to the date specified therefor, in accordance with the provisions of the law, subject to the following:
 - a. Shareholders shall be notified by registered mail sent to their addresses recorded in the Shareholder register, or by announcement of the invitation through modern technological means; and
 - b. a copy of the invitation and meeting agenda shall be sent to the Commercial Register, and if the Company is listed on the Exchange at the time the invitation is announced, a copy shall also be sent to the CMA.
4. The invitation for the Assembly shall include the following as a minimum:
 - a. a statement specifying the persons entitled to attend the Assembly meeting and their right to appoint a proxy other than a Director, as well as a statement specifying the rights of Shareholders to discuss the items on the meeting agenda, ask questions and how to exercise their voting rights;
 - b. the location, date and time of the meeting;
 - c. the type of Assembly, whether general or special; and
 - d. the meeting agenda, including the items on which Shareholders are required to vote.

Quorum of Ordinary General Assembly Meetings

1. Ordinary General Assembly meetings shall not be valid unless attended by Shareholders representing at least a quarter of the Company's voting shares.
2. If such quorum is not met in accordance with Paragraph (1) of this article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article (ninety-one) of the Companies Law within (thirty) days following the date specified for the initial meeting. However, a second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting refers to the possibility of a second meeting being held. In all cases, the second meeting shall be deemed valid irrespective of the number of the voting shares represented therein.

Quorum of Extraordinary General Assembly Meetings

1. Extraordinary General Assembly meetings shall not be valid unless attended by Shareholders representing at least half of the Company's voting shares.
2. If such quorum is not met in accordance with Paragraph (1) of this article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article (ninety-one) of the Companies Law. However, a second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to the first meeting refers to the possibility of a second meeting being held. In all cases, the second meeting shall be deemed valid if attended by Shareholders representing at least quarter of the voting shares.

3. If the necessary quorum for the second meeting is not met, an invitation shall be sent for a third meeting to be held under the same conditions stipulated in Article (ninety-one) of the Companies Law. The third meeting shall be deemed valid irrespective of the number of voting shares represented therein.

Voting in Assemblies

Cumulative voting shall be used to elect the members of the Board of Directors. Directors may not vote on Assembly resolutions that relate to business and contracts in which they have a direct or indirect interest or that involve a conflict of interest.

Assembly Resolutions

1. Resolutions of the Ordinary General Assembly shall be passed by the majority vote of the voting rights represented in the meeting.
2. Resolutions of the Extraordinary General Assembly shall be passed by the vote of (two-thirds) of the voting rights represented in the meeting. Resolutions relating to the increase or reduction of share capital, extension of the Company's term, dissolution of the Company before the expiry of the period specified in its Bylaws, merger of the Company with another company, or division of the Company into two or more companies shall be deemed valid only if passed by the vote of (three-quarters) of the voting rights represented in the meeting.

Deliberations at Assemblies

Each shareholder may discuss the items included on the agenda of the General Assembly and direct questions thereon to the Directors and the Auditor. The Board of Directors or the Auditor shall answer the questions of Shareholders to the extent that does not jeopardize the Company's interests. If a Shareholder is not satisfied with the response to their question, they may request the General Assembly to decide thereon and its decision shall be final.

Preparation of Assembly Meeting Minutes

Minutes shall be maintained for Assembly meetings which shall indicate the number of Shareholders in attendance, whether in person or by proxy; the number of shares held by each attendee, whether in person or by proxy; the number of votes designated thereto; the resolutions adopted; the number of consenting and dissenting votes; and a sufficient summary of the deliberations that took place at the meeting. Minutes shall be recorded on a regular basis after every meeting in a dedicated register signed by the Assembly Chairman, Secretary and the vote collectors.

Appointment of the Auditor

The Company shall have one or more auditors from among those licensed to practice in the Kingdom, to be appointed annually by the Ordinary General Assembly, which shall determine the Auditor's remuneration and term of appointment. The Ordinary General Assembly may replace the Auditor at any time, without prejudice to the Auditor's right to compensation if such replacement occurs at an inappropriate time or for an unjustified reason.

Financial Year

1. The Company's financial year shall be twelve calendar months commencing on the 1st of January and ending on the 31st of December.
2. An independent budget shall be prepared for the transition period resulting from the adjustment of the financial year.

Financial Documents

1. The Board of Directors shall, at the end of each Company's financial year, prepare the Company's financial statements as well as a report on its activities and financial position for the ending financial year. Said report shall include a proposal on the manner of dividend distributions. The Board shall make such documents available to the Auditor, if any, at least (forty-five) days prior to the date set for the annual Ordinary General Assembly meeting.
2. The documents referred to in Paragraph (1) of this Article shall be signed by the Chairman of the Company's Board of Directors and its CEO and CFO, if any. Copies of such documents shall be maintained at the Company's headquarters and made available to Shareholders.

3. The Chairman shall provide the Shareholders with the Company's financial statements and the Board of Directors' report after signature of the same, as well as the Auditor's report, if any, unless they are published using modern technological means, at least (twenty-one) days prior to the date set for the annual Ordinary General Assembly meeting. The Chairman shall also deposit such documents in accordance with the relevant Implementing Regulation of the Companies Law.

Creation of Reserves

1. The Ordinary General Assembly may, when determining the share of the shares in the net profits, decide to create reserves to the extent necessary to serve the Company's interests or to ensure, as far as possible, the distribution of stable dividends to the shareholders. The said General Assembly may also deduct amounts from the net profits for social purposes for the benefit of the Company's employees.
2. The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any.

Entitlement to Dividends

1. Shareholders shall be entitled to their share of dividends pursuant to the General Assembly resolution adopted in this regard. The resolution shall specify the eligibility and distribution dates. Shareholders registered in the Shareholder register by the end of the eligibility date shall be entitled to receive dividends. The Board of Directors must implement the resolution of the General Assembly with respect to the distribution of dividends to Shareholders.
2. The Board may announce and distribute interim dividends to the Shareholders, in line with the applicable laws and regulations.

Distribution of Dividends for Preferred Shares

Should the Company decide to issue preferred shares entitled to a fixed annual percentage of the Company's annual profits or a percentage in net profits higher than the entitlement of ordinary shares, yet the Company fails to pay such entitlements to holders of preferred or redeemable shares for three consecutive years despite realizing annual profits sufficient to make such payments, the special assembly of holders of preferred and redeemable shares, held in line with Article eighty-nine of the Companies Law, may decide that its member shall attend the Company's General Assembly meetings and participate in voting, with each preferred share entitling its holder to one vote, until the Company is able to pay the dividends allocated to the holders of such shares for the previous years.

Termination of the Company

1. The Company shall be terminated for any of the reasons stipulated in Article (two hundred forty-three) of the Companies Law. Upon termination, the Company shall enter into liquidation in accordance with the provisions Chapter twelve of the Companies Law. If the Company is terminated and its assets are not sufficient to pay its debts, or if it is distressed under the Bankruptcy Law, it shall petition the competent judicial authority to initiate any liquidation procedures under the Bankruptcy Law.

The Company, upon its dissolution, shall enter a liquidation phase during which it shall retain its legal personality to the extent necessary for the liquidation. The Extraordinary General Assembly shall issue a resolution for the voluntary liquidation of the Company, which shall include the appointment of a liquidator and specify his powers, fees, any restrictions on his powers, and the period required for the liquidation process. The period of a voluntary liquidation process shall not exceed three years and may not be further extended without a judicial order. The authority of the Board shall cease upon the dissolution of the Company; however, the Board shall remain responsible for the management of the Company and shall be deemed as liquidators towards third parties, until a liquidator is appointed. The shareholders' assemblies shall maintain their authorities, but their role shall be limited to exercising their powers so far as such powers do not conflict with those of the liquidator.

11.16 Description of Shareholder Rights

11.16.1 Voting Rights

Each Shareholder shall have one vote for every share represented by them in the General Assemblies. Cumulative voting shall be used in electing the Board of Directors. Voting rights attached to shares may not be used more than once. Preferred shares do not grant the right to vote in General Assemblies of the Company's Shareholders, except as specified in the laws and regulations.

11.16.2 Rights to Dividend Shares

Shareholders shall be entitled to their share of dividends pursuant to a resolution issued by the General Assembly. The resolution shall specify the eligibility and distribution dates. Shareholders registered in the Shareholder register by the end of the eligibility date shall be entitled to receive dividends. The Board of Directors must implement the resolution of the General Assembly with respect to the distribution of dividends to Shareholders. If the Company decides to issue preferred shares and the right to obtain a fixed percentage of the Company's annual profits on a yearly basis or a higher percentage in the net profits than holders of ordinary shares, and the Company generates sufficient annual profits to meet the prescribed percentage and has not distributed such percentage to the holders of preferred or redeemable shares for three consecutive years, the Special Assembly of holders of such preferred or redeemable shares, held in accordance with the provisions of Article 89 of the Companies Law, may decide to attend the meetings of the Company's General Assembly and participate in the voting, provided that each preferred share shall grant one vote, until the Company is able to distribute the dividends allocated to the holders of such shares for previous years.

11.16.3 Redemption or Repurchase Rights

The Company may purchase its ordinary, preferred or redeemable shares and sell, pledge and mortgage such shares in accordance with the applicable laws and regulations. The Company may purchase its shares for the purpose of allocating them as treasury shares, in accordance with the applicable laws and regulations. The Company may adopt and use treasury shares in an employee share scheme for the benefit of the Company's employees or its Subsidiaries, whether such treasury shares were acquired through the Company's repurchase of its shares or from shares issued pursuant to a capital increase in accordance with the Company's Bylaws, subject to applicable laws and regulations. Preferred shares shall be canceled upon the Company's purchase thereof, and the Company must undertake the requisite legal steps to reduce its share capital accordingly.

11.16.4 Rights to Asset Surplus upon Liquidation or Dissolution

Pursuant to Article two-hundred fifty of the Companies Law, the liquidation surplus shall be distributed among Shareholders after repayment of indebtedness in proportion to their shares in the capital, unless the Company's Bylaws stipulate otherwise.

11.16.5 Amendment of the Rights of Shareholders

Shareholders' rights related to obtaining a portion of the dividends to be distributed, obtaining a share in the Company's asset surplus upon liquidation, attending General Assemblies, participating in their deliberations and voting on their decisions, disposing of shares as per the provisions of the Companies Law, requesting access to the Company's books and documents, monitoring the work of the Company's Board of Directors, filing liability action against Directors and challenging the validity of the General Assembly decisions (as per the conditions and restrictions contained in the Companies Law and the Company's Bylaws) are wholly derived from the Companies Law and cannot be amended.

The Company's Bylaws may only be amended by a resolution of the Extraordinary General Assembly. Resolutions of an Extraordinary General Assembly meeting shall be passed by the vote of two-thirds (2/3) of the shares represented in the meeting. Resolutions relating to the increase or reduction of share capital, extension of the Company's term, dissolution of the Company before the expiry of the period specified in its Bylaws, merger of the Company with another company, or division of the Company into two or more companies shall be deemed valid only if passed by the vote of three-quarters (3/4) of the shares represented in the meeting.





12

Underwriting

12. Underwriting

The Underwriters, Al Rajhi Capital, Morgan Stanley Saudi Arabia, anb capital, and Emirates NBD Capital KSA, have undertaken to fully underwrite the Offering of 240,000,000 ordinary Shares pursuant to the Underwriting Agreement (the “**Underwriting Agreement**”) entered into with the Company, subject to the terms and conditions contained in the Underwriting Agreement. The Underwriters’ names and addresses are set out below:

Underwriters

Al Rajhi Capital

King Fahd Road
P.O. Box 5561
Riyadh 11432
Kingdom of Saudi Arabia
Tel: +966 (11) 92 000 5856
Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
E-mail: MGC-IPO@alrajhi-capital.sa



Morgan Stanley Saudi Arabia

Al Ma'ather Street
Al Rashid Tower – 10th Floor
P.O. Box 66633
Riyadh 11586
Kingdom of Saudi Arabia
Tel: +966 (11) 218 7000
Fax: +966 (11) 218 7003
Website: www.morganstanley.com
E-mail: ms_project_next_wg@morganstanley.com

Morgan Stanley

anb capital

King Faisal Street, anb capital Building
P.O. Box 220009, Riyadh 11311
Kingdom of Saudi Arabia
Tel: +966 (11) 406 2500
Fax: +966 (11) 406 2548
Website: www.anbcapital.com.sa
E-mail: project.next@anbcapital.com.sa

anbcapital

Emirates NBD Capital KSA

Prince Turki Al Awwal Road, Signature Center, 2nd Floor
P.O. Box 341777
Riyadh 11333
Kingdom of Saudi Arabia
Tel: +966 (11) 299 3900
Fax: +966 (11) 299 3955
Website: www.emiratesnbdcapital.com.sa
E-mail: ProjectNextIPO@EmiratesNBD.com



The principal terms of the Underwriting Agreement are set out below:

12.1 Summary of the Underwriting Agreement

Under the terms and subject to the conditions contained in the Underwriting Agreement:

- a. The Selling Shareholders undertake to the Underwriters that, on the first Business Day after allocation of the Offer Shares following the end of the Offering Period, they shall:
 1. sell and allocate the Offer Shares to the Individual Subscribers or Participating Parties whose application for subscription to the Offer Shares has been accepted by the Receiving Agents, as applicable; and
 2. sell and allocate to the Underwriters the Offer Shares that have not been subscribed for by the Individual Subscribers or Participating Parties pursuant to the Offering, as applicable.
- b. The Underwriters undertake to the Selling Shareholders that, on the date of allocation, they will purchase any Offer Shares that have not been subscribed for by the Individual Subscribers or Participating Parties, in accordance with what is mentioned below:

Table 12.1: Underwritten Shares

Underwriter	Number of Offer Shares Underwritten	Percentage of Offer Shares Underwritten
Morgan Stanley Saudi Arabia	48,000,000	20%
Al Rajhi Capital	120,000,000	50%
anb capital	36,000,000	15%
Emirates NBD Capital KSA	36,000,000	15%
Total	240,000,000	100%

Source: The Company

The Company has committed to satisfying all of the provisions of the Underwriting Agreement.

12.2 Underwriting Costs

The Selling Shareholders will pay the Underwriters an underwriting fee based on the total value of the Offering. In addition, the Selling Shareholders have agreed to pay the expenses and costs of the Offering on behalf of the Company.



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Expenses

13. Expenses

The Selling Shareholders will bear all costs and expenses associated with the Offering, which are estimated at approximately SAR 150,000,000 including the fees of the Financial Advisors, the Lead Manager, the Bookrunners, the Underwriters, the Legal Advisor to the Issuer, the Financial Due Diligence Advisor, the Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters, the Receiving Agents, the Market Consultant and the Independent Auditor, as well as marketing, printing and distribution costs, regulatory fees and other expenses related to the Offering. The Offering expenses will be deducted from the Offering Proceeds. The Company shall not be responsible for payment of the Offering expenses.



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Undertakings Following Admission

14. Undertakings Following Admission

Following Listing, the Company undertakes to:

- a. complete Form 8 (related to compliance with the Corporate Governance Regulations) and provide the relevant justifications if it fails to meet any of the requirements of the Corporate Governance Regulations;
- b. notify the CMA of the date on which the first General Assembly will be held post-Listing so that a representative thereof may attend;
- c. submit transactions and contracts in which any Director has a direct or indirect interest for authorization by the General Assembly (in accordance with the Companies Law and Corporate Governance Regulations), provided that the interested Director is prohibited from voting on the relevant resolution issued in this regard, whether by the Board or the General Assembly (for further details regarding Related Party contracts and transactions, see Section 11.7 (*Related Party Transactions*));
- d. disclose material developments related to the Company and the projects set out in Section 4.14 (*Future Plans and Initiatives*);
- e. comply with all mandatory provisions of the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules and the Corporate Governance Regulations immediately upon Listing;
- f. update the Company's legal entity in the Company's statutory documents (including the Commercial Registration and Bylaws) to become a public joint stock company; and
- g. amend the Company's statutory documents, including the Bylaws, to comply with the Companies Law, the Corporate Governance Regulations issued by the CMA, and other relevant laws and regulations within the specified statutory period, provided that the Company's General Assembly is held to approve the same during the first quarter after Listing.
- h. Accordingly, following Listing, the Directors undertake to:
 - i. record all resolutions and deliberations in the form of written meeting minutes, which shall be signed by the chairman of the meeting, the attending Directors and the Secretary;
 - j. disclose the details of any Related Party transactions in accordance with the requirements of the Corporate Governance Regulations; and
 - k. notify the Board of their direct and indirect personal interests in the business and contracts conducted on behalf of the Company, and this shall be recorded in the minutes of the Board meeting.



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Waivers

15. Waivers

In accordance with paragraph (e) of Article 32 of the OSCO Rules, the Company has obtained a waiver from the CMA regarding disclosure of certain information in the Prospectus that the Company believes, if disclosed, would cause unjustified harm to the Company and its ability to compete, while it is unlikely that the non-disclosure of such information would mislead investors with respect to the valuation of the Company's shares. Set out below are the details of the requirements, facts and circumstances that the Company submitted to the CMA for such waiver:

- Disclosure requirements set out in sub-paragraph (3) of paragraph (19) of Annex 12 of the OSCO Rules, which requires an issuer to disclose a summary of all material agreements, and the Prospectus does not include disclosures regarding the following:
 - Names of certain clients and projects;
 - The value of one of the Company's subcontracting agreement, its execution date and the details of the relevant project; and
 - Names of certain top subcontractors.



MGC



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Subscription Terms and Conditions

16. Subscription Terms and Conditions

An application has been submitted to the CMA for the registration and offer of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations, as well as an application for the listing of the Shares on the Exchange in accordance with the Listing Rules.

All Subscribers must carefully read the subscription terms and conditions before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to the Bookrunner or a Receiving Agent, as applicable, is deemed as acceptance and approval of the subscription terms and conditions.

16.1 Subscription to the Offer Shares

The Offering consists of 240,000,000 ordinary Offer Shares at an Offer Price of SAR [●], with a fully paid nominal value of one Saudi Arabian Riyal per Share. The Offer Shares represent 30.00% of the Company's share capital with a total value of SAR [●]. The CMA has the right to suspend the Offering if, at any time after its approval of this Prospectus and before the registration and admission of the Shares on the Exchange, a material adverse change occurs in respect of the Company's operations.

The Offering is restricted to the following two groups of Investors:

Tranche (A): Participating Parties

This tranche comprises the parties entitled to participate in the book-building process as specified under the Book-Building Instructions. Participating Parties will provisionally be allocated 240,000,000 Offer Shares, representing 100% of the Offer Shares, with the final allocation scheduled to take place after the subscription period for Individual Subscribers. If there is sufficient demand by Individual Subscribers, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of 168,000,000 Offer Shares, representing 70% of the Offer Shares. The number and percentage of Offer Shares to be allocated to Participating Parties shall be determined by the Financial Advisors, in coordination with the Company, using the discretionary allocation mechanism. Accordingly, certain Participating Parties may not be allocated any Offer Shares.

Tranche (B): Individual Subscribers

This tranche comprises any natural person who has an investment account and an active investment portfolio with a Receiving Agent or is entitled to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid, and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be deemed void and only the first subscription will be considered. A maximum of 72,000,000 Offer Shares will be allocated to Individual Subscribers, representing 30% of the total Offer Shares. If Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisors, in coordination with the Company, may reduce the number of Offer Shares allocated thereto in proportion to the number of Offer Shares to which they subscribed.

16.2 Book-Building and Subscription by Participating Parties

- a. The price range will be determined during the book-building process and made available to all Participating Parties by the Financial Advisors in consultation with the Company and the Selling Shareholders. The number and percentage of the Offer Shares that will be allocated to the Participating Parties will be determined in consultation with the Company and the Selling Shareholders using the discretionary share allocation mechanism.
- b. Each of the Participating Parties shall submit an application to participate in the book-building process by completing a Bid Form. The Participating Parties may change or cancel their applications at any time during the book-building period, provided that such change is made by submitting an amended or additional Bid Form, where applicable, prior to the determination of the Offer Price, which shall precede commencement of the Offering Period. The number of Offer Shares to be subscribed for by each Participating Party shall

neither be less than 25,000 Shares nor more than 39,999,999 Shares. and in relation to public investment funds only, without exceeding the maximum amount specified for each participating fund as determined in accordance with the Book-Building Instructions. The number of requested Shares must be subject to allocation. The Bookrunners will inform the Participating Parties of the Offer Price and the number of Offer Shares provisionally allocated to them using the discretionary share allocation mechanism. As a result, certain Participating Parties may not be allocated any Offer Shares. The subscription process for Participating Parties shall commence during the Offering Period, which also includes the Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms.

- c. All Participating Parties must submit accurate and allocable applications and must not submit false or exaggerated subscription applications with the aim of obtaining a larger allocation. Furthermore, Participating Parties must have the ability to cover the application in cash or by making the necessary arrangements to cover the value of the application from the submission of the Bid Form until the final allocation.
- d. After completion of the book-building process for Participating Parties, the Financial Advisors will announce the coverage percentage by the Participating Parties.
- e. The Financial Advisors and the Company will have the power to determine the Offer Price based on the forces of supply and demand, provided that it does not exceed the price set out in the Underwriting Agreement and on the condition that the Offer Price is in accordance with the tick size applied by the Exchange.

16.3 Subscription by Individual Subscribers

Each Individual Subscriber must subscribe for a minimum of 10 Offer Shares and a maximum of 2,500,000 Offer Shares. Changes to or withdrawal of the subscription application shall not be permitted once the Subscription Application Form has been submitted. Individual Subscribers wishing to subscribe for the Offer Shares must submit subscription applications electronically via the websites and electronic platforms of the Receiving Agents that offer such service to Subscribers, or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe for the Company's Shares during the Offering Period, provided that:

- a. the Individual Subscriber has an investment account and an active portfolio at a Receiving Agent that offers such services; and
- b. there has been no change in the personal information of the Individual Subscriber since their subscription in a recent initial public offering.

A signed Subscription Application Form represents a legally binding agreement between the Selling Shareholders and the relevant Individual Subscriber submitting the application to the Receiving Agents.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the Company (www.mgc.com.sa), the CMA (www.cma.org.sa) or the Financial Advisors (www.alrajhi-capital.com and www.morganstanley.com), and Subscription Application Forms from the websites of the following Receiving Agents providing such service:

Receiving Agents

Al Rajhi Capital

Head Office, King Fahd Road, Al Murooj District
P.O. Box 5561, Riyadh 12263
Kingdom of Saudi Arabia
Tel: +966 (11) 92 000 5856
Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
E-mail: arcipo@alrajhibank.com.sa



Albilad Capital

8162 King Fahad Road – Al Olaya
P.O. Box 3701, Riyadh 12313
Kingdom of Saudi Arabia
Tel: +966 (11) 92 000 3636
Fax: +966 (11) 290 6299
Website: www.albilad-capital.com
E-mail: investmentbanking@albilad-capital.com



Receiving Agents

Riyad Capital

2414 – Al Shuhada District, Unit No. 69
P.O. Box 7279, Riyadh 13241
Kingdom of Saudi Arabia
Tel: +966 (11) 486 5649
Fax: +966 (11) 486 5908
Website: www.riyadcapital.com
E-mail: ask@riyadcapital.com



SNB Capital

King Saud Street, Al Murabba District, Building No. 7347
P.O. Box 2575, Riyadh 12624
Kingdom of Saudi Arabia
Tel: +966 (11) 92 000 0232
Fax: +966 (11) 406 0052
Website: www.alahlicapital.com
E-mail: snbc.cm@alahlicapital.com.sa



anb capital

King Faisal Street, anb capital Building
P.O. Box 220009, Riyadh 11311
Kingdom of Saudi Arabia
Tel: +966 (11) 406 2500
Fax: +966 (11) 406 2548
Website: www.anbcapital.com.sa
E-mail: project.next@anbcapital.com.sa



Derayah Financial

Riyadh, Takhassusi Street, Prestige Center, Third Floor
Kingdom of Saudi Arabia
Tel: +966 (11) 299 8000
Fax: +966 (11) 4195498
Website: www.derayah.com
E-mail: support@derayah.com



SAB Invest

Olaya Main Street
P.O. Box 1467, Riyadh 11431
Kingdom of Saudi Arabia
Tel: +966 (11) 800 124 2442
Fax: +966 (11) 216 9102
Website: www.sabinvest.com
E-mail: customercare@sabinvest.com



Alinma Investment

Al-Anoud Tower 2, King Fahd Road
P.O. Box 55560, Riyadh 11544
Kingdom of Saudi Arabia
Tel: +966 (11) 218 5999
Fax: +966 (11) 218 5970
Website: www.alinmainvestment.com
E-mail: info@alinmainvestment.com



Alistithmar Capital

King Fahd Road, Riyadh
P.O. Box 6888, Riyadh 11452
Kingdom of Saudi Arabia
Tel: +966 (11) 254 7666
Fax: +966 (11) 489 6253
Website: www.icap.com.sa
E-mail: WebEcare@icap.com.sa



Receiving Agents

Yaqeen Capital

Al Worood District, Olaya Street, Riyadh
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 (11) 800 429 8888
Fax: +966 (11) 205 4827
Website: www.yaqeen.sa
E-mail: addingvalue@yaqeen.sa



Aljazira Capital

King Fahd Branch Road, Al Rahmanyah
P.O. Box 20438, Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 (11) 225 6000
Fax: +966 (11) 225 6182
Website: www.aljaziracapital.com.sa
E-mail: contactus@aljaziracapital.com.sa



Alkhabeer Capital

Madinah Road, Jeddah
P.O. Box 128289, Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 (11) 612 9345
Fax: +966 (11) 685 6663
Website: www.alkhabeer.com
E-mail: info@alkhabeer.com



Sahm Capital

King Abdullah Financial District, Tower 305
Riyadh 13519
Kingdom of Saudi Arabia
Tel: +966 (11) 414 5260
Website: www.sahmcapital.com
E-mail: info@sahmcapital.com



GIB Capital

Low Rise Buildings, Building No. B1
Granada Business & Residential Park
Eastern Ring Road
P.O. Box 89589, Riyadh 11692
Kingdom of Saudi Arabia
Tel: +966 800 124 0121
Website: www.gibcapital.com
E-mail: customercare@gibcapital.com



BSF Capital

8092 King Fahd Road
P.O. Box 23454, Riyadh 12313-3735
Kingdom of Saudi Arabia
Tel: +966 (11) 282 6666
Fax: +966 (11) 282 6823
Website: www.bsfcapital.sa
E-mail: IPO_BSFC@BSFCapital.sa



Musharaka Capital

Al-Khobar, Prince Turki bin Abdulaziz Street, Adeer Tower, 13th Floor
P.O. Box 712, Al-Khobar 31952
Kingdom of Saudi Arabia
Tel: +966 92 000 6811
Fax: +966 13 881 8412
Website: www.musharaka.sa
E-mail: receiving-entity@musharaka.sa



Receiving Agents

EFG Hermes KSA

Third Floor, North Tower, Sky Towers, King Fahd Road, Al Olaya, Riyadh
P.O. Box 300189, Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 (11) 293 8048
Fax: +966 (11) 293 8032
Website: www.efghermesksa.com
E-mail: ksareipo@efg-hermes.com



Awaed Alosool Capital

2163 Al Orouba Road, Al Ma'athar Al Shamali District 12334, Home
Offices, Riyadh, Kingdom of Saudi Arabia
Tel: 800 111 1870
Website: www.awaed.capital
E-mail: ipo_awaed@awaed.co



Dinar Company

P.O. Box 4538, Riyadh 13313
Kingdom of Saudi Arabia
Tel: +966920006151
Website: www.dinar.sa
E-mail: dtc@dinar.sa



The Receiving Agents will commence receiving Subscription Application Forms through their websites and electronic channels on Monday 29/12/1447H (corresponding to 15/06/2026G) until end of Wednesday 02/01/1448H (corresponding to 17/06/2026G). If the information provided in the Subscription Application Form is incomplete or inaccurate, or if it is not stamped by the Receiving Agent, the Subscription Application Form will be considered void. Individual Subscribers shall not have the right to claim any compensation for any damages incurred due to such cancellation.

Individual Subscribers wishing to subscribe for the Offer Shares must submit subscription applications electronically via the websites and electronic platforms of the Receiving Agents that offer such service to Subscribers, or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe for the Company's Shares during the Offering Period. Each Individual Subscriber is required to specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR [●] per Share.

Subscriptions by Individual Subscribers for less than ten Offer Shares or fractional Shares will not be accepted. Increments are to be made in multiples of such minimum number, while the maximum number of Offer Shares to be applied for is 2,500,000 Offer Shares.

Subscribers must fulfill and complete all subscription requirements specified in this Prospectus and agree to all relevant terms and conditions. The Company and the Lead Manager reserve the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions are not met or if the required instructions are not followed. After submission, the Subscription Application Form cannot be amended or withdrawn, except with the approval of the Lead Manager. A completed Subscription Application Form represents a legally binding agreement between the Company and the relevant Subscriber.

16.4 Allocation and Refunds

The Lead Manager shall open and operate an escrow account for the purpose of depositing and maintaining the Subscription monies collected from the Participating Parties and Receiving Agents (on behalf of Individual Subscribers). Each of the Receiving Agents shall deposit all amounts received from the Subscribers into the aforementioned escrow account.

The Lead Manager and Receiving Agents, as applicable, will notify the Subscribers of the final number of Offer Shares allocated together with the amounts to be refunded. Excess subscription monies, if any, will be refunded to the Subscribers in whole without any deductions or fees and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. The final allocation will be announced no later than Monday 07/01/1448H (corresponding to 22/06/2026G), and refunds shall be processed no later than 08/01/1448H (corresponding to 23/06/2026G) (for further details, please refer to the "Key Dates and Subscription Procedures" section on page

(xx) of this Prospectus and Section 16 (*Subscription Terms and Conditions*)). Individual Subscribers should communicate with the Lead Manager or the Receiving Agent where they submitted their Subscription Application Form, as applicable, for any further details.

16.4.1 Allocation of Offer Shares to Participating Parties

The number of Offer Shares to be initially allocated to Participating Parties is 240,000,000 ordinary Shares, representing 100% of the total Offer Shares. The final allocation will take place after the end of the subscription period for Individual Subscribers. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Financial Advisors, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Parties to 168,000,000 ordinary Shares as a minimum, representing 70% of the Offer Shares. The number and percentage of Offer Shares that will be allocated to Participating Parties will be determined by the Financial Advisors, in coordination with the Company, using the discretionary allocation mechanism. Accordingly, certain Participating Parties may not be allocated any Offer Shares.

16.4.2 Allocation of Offer Shares to Individual Subscribers

A maximum of 72,000,000 Offer Shares, equivalent to 30% of the total Offer Shares, will be allocated to Individual Subscribers. Each Individual Subscriber shall subscribe for a minimum of 10 Offer Shares and a maximum of 2,500,000 Offer Shares. The minimum allocation is 10 ordinary Shares per Individual Subscriber. The balance of Offer Shares, if any, will be allocated pro-rata based on the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares subscribed for. If the number of Individual Subscribers exceeds 7,200,000 Subscribers, the Company will not guarantee the minimum allocation of 10 Shares per Subscriber. In this case, the allocation will be made as deemed appropriate by the Financial Advisors in coordination with the Company.

16.5 Circumstances Where Trading and Listing May be Suspended or Canceled

16.5.1 Power to Suspend Trading or Cancel Listing

- a. The CMA may suspend trading in listed securities or cancel the listing at any time as it deems fit, in any of the following circumstances:
 1. the CMA considers it necessary for the protection of investors or the maintenance of an orderly market;
 2. the Issuer fails, in a manner which the CMA considers material, to comply with the CML, its Implementing Regulations or the Listing Rules;
 3. the Issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA;
 4. if it considers that the Issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange;
 5. if a reverse takeover announcement does not contain sufficient information regarding the proposed transaction. If the Issuer announces sufficient information regarding the target entity and the CMA is satisfied, following the Issuer's announcement, that there will be sufficient information available to the public regarding the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage;
 6. if information regarding the proposed transaction of reverse takeover is leaked and the Issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly;
 7. if an application for the financial restructuring of the Issuer in the event of its accumulated losses reaching 50% or more of its share capital is registered with the court under the Bankruptcy Law;
 8. if a request for a liquidation procedure or the administrative liquidation of the Issuer is registered with the court under the Bankruptcy Law;
 9. upon the issuance of a final court judgment closing the financial restructuring and initiating a liquidation procedure or an administrative liquidation procedure of the Issuer in court under the Bankruptcy Law; and
 10. upon issuance of a final court judgment initiating a liquidation procedure or an administrative liquidation procedure of the Issuer in court under the Bankruptcy Law.

- b. Lifting of the trading suspension under Paragraph (a) above is subject to the following:
 1. the Issuer adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of Investors;
 2. that lifting the suspension is unlikely to affect the normal activity of the Exchange;
 3. the Issuer complies with any other conditions that the CMA may require;
 4. upon the issuance of a final court judgment initiating the financial restructuring of the Issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with Paragraph (a)(7) above; and
 5. upon the issuance of a final court judgment rejecting the commencement of a liquidation procedure or administrative liquidation under the Bankruptcy Law, unless the Issuer was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with Paragraph (a)(8) above.
- c. The Exchange shall suspend the trading of securities of the Issuer in any of the following cases:
 1. if the Issuer does not comply with the deadlines for the disclosure of its periodic financial information within the periods specified in accordance with the applicable implementing regulations;
 2. if the Independent Auditor's report on the financial statements of the Issuer contains an adverse opinion or an abstention from expressing an opinion;
 3. if the liquidity requirements in Parts 2 and 8 of the Listing Rules are not satisfied after the time limit set by the Exchange for the Issuer to rectify its conditions, unless the CMA agrees otherwise;
 4. upon the entry into force of a resolution of an Extraordinary General Assembly of the Issuer to reduce its share capital or consolidate its shares, for the two trading days following the entry into force of such resolution; and
 5. if the Issuer fails to comply with the provisions stipulated in Article 33 of the Listing Rules, and the Exchange makes them available for over-the-counter trading.
- d. The Exchange shall remove the suspension referred to in Subparagraphs (1), (2) and (5) of Paragraph (c) above, after one trading session has passed following cessation of the cause of suspension. In the event that the Issuer's Shares are available for trading outside the platform, the Exchange shall remove the suspension within a period of not more than five trading sessions after the cause of suspension ceases to exist.
- e. The Exchange may at any time propose that the CMA suspend the trading of any listed security or cancel its listing where, in its opinion, it is likely that any of the above circumstances of Paragraph (a) above are likely to occur.
- f. An Issuer whose securities are subject to a trading suspension must continue to comply with the CML, its Implementing Regulations and the Listing Rules.
- g. If the listing suspension continues for six (6) months with no appropriate procedure made by the Issuer to correct such suspension, the CMA may cancel the listing of the Issuer.
- h. Upon the Issuer's completion of a reverse takeover, the Issuer's Shares are de-listed. If the Issuer wishes to re-list its Shares, it shall submit a new application for registration and admission to listing in accordance with Listing Rules, upon fulfillment of the relevant requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations.
- i. This paragraph shall not prejudice the suspension of trading or cancellation of listing resulting from the losses of the Issuer pursuant to the relevant Implementing Regulations of the CML and the Listing Rules.

16.5.2 Voluntary Cancellation of Listing

- a. After its securities have been listed on the Exchange, an Issuer may not cancel the listing of its securities without the prior approval of the CMA. To obtain CMA approval, the Issuer must submit a cancellation application to the CMA along with a simultaneous notice to the Exchange. The application must include the following:
 1. specific reasons for the cancellation request;
 2. a copy of the disclosure described in Paragraph (d) below;
 3. a copy of the relevant documentation and a copy of all related communication to Shareholders if the cancellation is to take place as a result of a takeover or other corporate action by the Issuer; and

4. the names and contact information of the Financial Advisors and Legal Advisor appointed according to the Rules on the Offer of Securities and Continuing Obligations.
- b. The CMA may, at its discretion, approve or reject the cancellation request.
- c. The Issuer must obtain the approval of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.
- d. If the cancellation is made at the Issuer's request, it must disclose the same to the public as soon as possible. The disclosure must include, as a minimum, the reason for the cancellation, the nature of the event resulting in the cancellation, and the extent to which it affects the Issuer's activities.

16.5.3 Temporary Trading Suspension

- a. An Issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the CML, its Implementing Regulations or the Listing Rules, where the Issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend trading of the securities of that Issuer immediately upon receiving such request.
- b. If trading is temporarily suspended at the Issuer's request, the Issuer must disclose to the public as soon as possible the reason for the suspension, its anticipated period, the nature of the event that caused it, and the extent to which it affects the Issuer's activities.
- c. The CMA may impose a temporary trading suspension without a request from the Issuer if it becomes aware of information or circumstances affecting the Issuer's activities which the CMA considers would be likely to interrupt the operation of the Exchange or the protection of Investors. If its securities are subject to a temporary trading suspension, the Issuer must continue to comply with the CML, its Implementing Regulations and the Listing Rules.
- d. The Exchange may propose that the CMA exercise its powers in accordance with Paragraph (c) above if it becomes aware of information or circumstances affecting the Issuer's activities which would be likely to interrupt the operation of the Exchange or the protection of Investors.
- e. A temporary trading suspension will be lifted following the elapse of the period referred to in the disclosure specified in Paragraph (b) above, unless the CMA or the Exchange decide otherwise.
- f. If a listing suspension continues for six (6) months with no appropriate procedure made by the Issuer to correct such suspension, the CMA may cancel the listing of the Issuer.

16.5.4 Re-Listing After Cancellation of Listing

After the cancellation of listing of an issuer's securities, if the issuer wishes to re-list such securities, it must submit a new application in accordance with the procedures set out in the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

16.6 Approvals and Decisions under Which the Shares are Offered

The following are the decisions and approvals under which the Offer Shares are publicly offered:

- a. the Company's Board of Directors' resolution recommending the Offering, issued on 27/12/1446H (corresponding to 23/06/2025G);
- b. the Company's General Assembly resolution approving the Offering, issued on 28/12/1446H (corresponding to 24/06/2025G);
- c. the CMA's approval of the Offering, issued on 11/07/1447H (corresponding to 31/12/2025G);
- d. the conditional approval of the Exchange (Tadawul) to list the Shares, issued on 26/05/1447H (corresponding to 17/11/2025G).

16.7 Lock-up Period

The Substantial Shareholders and the Shareholders Acting in Concert mentioned in Table 9 below may not dispose of any of their Shares for a period of six (6) months from the date on which trading of the Company's Shares commences on the Exchange. They may dispose of their Shares after the end of this period without obtaining the prior approval of the CMA.

Table 16.1: Substantial Shareholders and Shareholders Acting in Concert and Their Direct Ownership Percentages in the Company Pre- and Post-Offering

Shareholder	Pre-Offering (Directly)			Post-Offering (Directly)		
	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)	Number of Shares	Shareholding (%) ⁽¹⁾	Total Nominal Value (SAR)
Mutlaq Damouk Mutlaq Al-Ghowairi Al-Otaibi	420,000,000	52.500%	420,000,000	256,000,000	32.000%	256,000,000
Terad Damouk Mutlaq Al-Ghowairi	180,000,000	22.500%	180,000,000	125,760,000	15.720%	125,760,000
Moudi Ajmi Sanhat Al-Otaibi ⁽²⁾	15,000,000	1.875%	15,000,000	15,000,000	1.875%	15,000,000
Abdulmajid Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Abdulmohsen Mohamed Damouk Al-Ghowairi ⁽²⁾	18,896,000	2.362%	18,896,000	18,896,000	2.362%	18,896,000
Total	652,792,000	81.599%	652,792,000	434,552,000	54.319%	434,552,000

Source: The Company.

⁽¹⁾ The ownership percentages are rounded.

⁽²⁾ The guardianship of Moudi Ajmi Sanhat Al-Otaibi over her minor children has been considered as acting in concert.

16.8 Acknowledgments and Declarations by Subscribers

By completing and delivering the Subscription Application Form, each Subscriber:

- agrees to subscribe to the number of Offer Shares specified in the Subscription Application Form submitted by them;
- warrants that they have read and carefully reviewed this Prospectus and understood all its content;
- accepts the Company's Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes to the Offer Shares accordingly;
- declares that neither themselves nor any of their family members included in the Subscription Application Form have previously subscribed for any of the Company's Shares and that the Company has the right to reject any or all duplicate applications;
- accepts the number of Offer Shares allocated to them (to the maximum of the amount subscribed for) as per the Subscription Application Form;
- warrants not to cancel or amend the Subscription Application Form after submitting it to the Receiving Agent or the Bookrunners, as applicable; and
- retains their right to claim and make recourse to the Company for damages caused directly by material information contained in this Prospectus which is incorrect or incomplete, or by the omission of material information that would affect their decision if included in the Prospectus.

For further details on the allocation process, see Section 16.4 (*Allocation and Refunds*).

16.9 Share Register and Trading Arrangements

The Securities Depositary Centre Company (Edaa) shall keep a Shareholders' Register containing the Shareholders' names, nationalities, addresses, professions, the Shares held by them and the amounts paid for such Shares.

16.10 Saudi Exchange (Tadawul)

In 1990G, full electronic trading of shares in the Kingdom was introduced. The Tadawul system was founded in 2001G as the successor to the Electronic Securities Information System. Trading in shares occurs on the “Tadawul” system through a fully integrated trading system covering the entire trading process from execution of the trade transaction through settlement thereof. Trading occurs on each Business Day of the week through one trading session between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, outside those times, orders can be entered, amended or canceled from 9:30 a.m. to 10:00 a.m. Such times change during the month of Ramadan and are announced by Tadawul. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website and Tadawul Information Link, which supplies trading data in real time to information providers such as Reuters. Transactions are settled on a T+2 basis, meaning that share ownership transfers take place two working days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information that are important for investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the Exchange to ensure fair trading and an orderly market.

16.11 Securities Depository Centre (Edaa)

The Securities Depository Centre Company (Edaa) was established in 2016G as a closed joint stock company in accordance with the previous Saudi Companies Law issued by Royal Decree No. M/3, dated 28/01/1437H, with a share capital of SAR 400,000,000, divided into 40,000,000 shares with a nominal value of SAR 10 per share. Edaa is fully owned by the Saudi Exchange Group (Tadawul).

The establishment of Edaa was based on the CMA's approval of Tadawul's Board of Directors' request in relation to conversion of the Securities Depository Centre into a joint stock company in accordance with the CML.

The activities of Edaa are to conduct business related to depositing, registering, transferring, settling and clearing securities, and recording any ownership restrictions on deposited securities. Furthermore, Edaa deposits and manages the records of the issuers of securities, and organizes issuers' general assemblies, including remote voting services, reporting, notifications and information, as well as providing other related services that Edaa may provide in accordance with the CML and its Implementing Regulations.

16.12 Trading of the Company's Shares

Trading of the Company's Shares is expected to commence following the final allocation of such Shares and the announcement of the start date of trading by the Exchange. Following Admission, Saudi natural persons, non-Saudi natural persons will be permitted to trade in the Offer Shares once they are traded on the Exchange, in accordance with the Rules for Foreign Investment in Securities and the relevant laws, regulations, instructions, and rules.

Furthermore, the Shares can only be traded after the allocated Offer Shares have been credited to Subscribers' accounts at Tadawul, the Company has been registered and its Shares are listed on the Exchange. Pre-trading in the Company's Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company and the Shareholders shall have no legal responsibility in connection with pre-trading activities.

16.13 Miscellaneous

The Subscription Application Form and all related terms, conditions and covenants shall be binding upon and inure to the benefit of their parties and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto may be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

These instructions, the conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been released in both Arabic and English languages, and the Arabic version is the only one approved by the CMA. In the event of a discrepancy between the English and the Arabic versions, the Arabic version of this Prospectus shall prevail.

The distribution of this Prospectus and the sale of the Offer Shares in any country other than the Kingdom are expressly prohibited, except for the sale of Offer Shares to certain Subscribers who are located outside the US, provided that the laws and directives regulating the same are observed. This Offering does not constitute an invitation to sell securities or a solicitation to purchase them in any jurisdiction where such offering would be unlawful or not permitted. All recipients of this Prospectus must review and comply with all regulatory restrictions relating to the Offering and the sale of the Offer Shares.

The Offering will be made to certain Subscribers located outside the US. Such Subscribers will subscribe outside the US territory in accordance with Regulation S issued under the US Securities Act. The Company's Shares have not been and will not be registered under the US Securities Act, any securities law of any US state, or any other law or regulation outside the Kingdom. The Offer Shares under this Prospectus may not be offered, sold or otherwise made available except in the context of transactions that are exempted from or are not subject to any registration requirements under the US Securities Act or securities regulations in any other country besides the Kingdom. This Offering does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where the Offering is illegal or not permitted. All recipients of this Prospectus must review and comply with all legal restrictions related to the subscription and sale of the Offer Shares.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary Prospectus to the CMA if, at any time after the publication of this Prospectus and before completion of the Offering, the Company becomes aware of: (i) a significant change in any material information contained in this Prospectus; or (ii) the occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, assumptions and uncertainties, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Consequently, prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance thereon.

I



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Documents Available for Inspection

17. Documents Available for Inspection

The following documents will be available for inspection at the Company's head office on Abi Al Hasan Ali Ibn Makki Street, Al Andalus District, P.O. Box 3852, Riyadh 13212, Kingdom of Saudi Arabia, between 8:00 a.m. and 4:00 p.m. from Wednesday 10/12/1447H (corresponding to 27/05/2026G) until Wednesday 02/01/1448H (corresponding to 17/06/2026G), for period of not less than 20 days before the end of the Offering Period:

- a copy of the CMA's announcement approving the Offering;
- the conditional approval of the Exchange (Tadawul) to list the Shares, dated 26/05/1447H (corresponding to 17/11/2025G);
- the approval of the Company's General Assembly of the Offering, dated 28/12/1446H (corresponding to 24/06/2025G);
- the approval of the Company's Board of Directors of the Offering, dated 27/12/1446H (corresponding to 23/06/2025G);
- the Company's Bylaws, and the amendments made thereto;
- the Company's articles of association, and the amendments made thereto;
- the Company's Commercial Registration certificate issued by the Ministry of Commerce;
- the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G
- the unaudited condensed interim financial information for the three- and six-month periods ended 30 June 2025G;
- the Company's audited financial statements for the financial year ended 31 December 2025G;
- the unaudited condensed interim financial information for the three-month period ended 31 March 2026G;
- the Market Study Report prepared by the Market Consultant;
- a document containing the mechanism that was relied on to arrive at the price range used in the book-building process or the valuation report;
- all other reports, letters, documents, value and data assessments prepared by any expert, including any part thereof mentioned or referred to in this Prospectus;
- contracts and agreements disclosed in Section 11.7 (Related Party Transactions);
- no-objection letters related to the credit facility agreements disclosed in Section 11.8 (Credit Facility Agreements);
- summary of statements concerning the expected future performance of the Company; and
- consent letters from each of:
 - a. the Financial Advisors, Bookrunners and Underwriters, Al Rajhi Capital, Morgan Stanley Saudi Arabia, and capital, Emirates NBD Capital KSA, Arqaam Capital Financial JSC, and Albilad Capital, for the inclusion of their names, logos, and statements in this Prospectus;
 - b. the Independent Auditor, PricewaterhouseCoopers Public Accountants, for the inclusion of its name, logo, statements and independent auditor's reports on the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G and 2025G, the review report on the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G and the review report on the unaudited condensed interim financial information for the three-month period ended 31 March 2026G within this Prospectus;
 - c. the Financial Due Diligence Advisor, Deloitte Financial Advisory Services LLP, for the inclusion of its name, logo and statements in this Prospectus;
 - d. the Market Consultant, A.T. Kearney Saudi Ltd, for the inclusion of its name, logo and statements in this Prospectus;
 - e. the Legal Advisor to the Issuer, Kirkland & Ellis International LLP, for the inclusion of its name, logo and statements in this Prospectus; and
 - f. the Legal Advisor to the Financial Advisors, Lead Manager, Bookrunners and Underwriters, Gibson Dunn & Crutcher Law Firm, for the inclusion of its name, logo and statements in this Prospectus.



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**Financial Statements and Independent
Auditor's Report**

18. Financial Statements and Independent Auditor's Report

This section contains the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G and 2025G, along with the accompanying notes thereto, which have been prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA; and the unaudited condensed interim financial information for the three-month and six-month periods ended 30 June 2025G and the unaudited condensed interim financial information for the three-month period ended 31 March 2026G, along with the accompanying notes thereto, which have been prepared in accordance with IAS 34 - "Interim Financial Reporting" as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA.

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED 31
DECEMBER 2022**

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Financial Statements
For the Year Ended 31 December 2022

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Statement of changes in equity	6
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Notes to the financial statements	8 - 32



Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mutlaq Al-Ghowairi Contracting Company (the "Company") as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

PricewaterhouseCoopers, License No. 25,
Kingdom Tower, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia
T: +966 (11) 211-0400, F: +966 (11) 211-0401, www.pwc.com/middle-east



Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers



Khalid A. Mahdar
License Number 368

31 August 2023

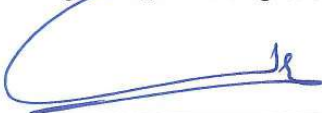


Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of profit or loss and other comprehensive income
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Year ended 31 December	
		2022	2021
Contracts revenue	5	2,286,424,643	1,232,232,923
Contracts cost	6	(1,595,434,343)	(850,474,229)
Gross profit		690,990,300	381,758,694
General and administrative expenses	7	(41,986,836)	(32,679,420)
(Charge) reversal of impairment of financial assets	11, 12	(11,385,583)	19,367,468
Other operating income		3,225,839	2,835,666
Operating profit		640,843,720	371,282,408
Finance costs	17, 18	(863,325)	(722,472)
Profit before zakat		639,980,395	370,559,936
Zakat expense	22	(28,984,019)	(28,152,513)
Profit for the year		610,996,376	342,407,423
Other comprehensive income (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Gain (loss) on remeasurement of employee benefit obligations	18	2,938,055	(217,350)
Total comprehensive income for the year		613,934,431	342,190,073
Earnings per share			
Basic and diluted	28	6,139	3,422

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorized for issue by the Board of Directors on 31 August 2023 and were signed on their behalf by:

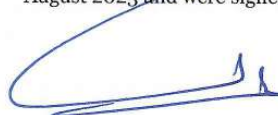

 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of financial position
 (All amounts in Saudi Riyals unless otherwise stated)

		As at 31 December 2022	As at 31 December 2021
Assets	Note		
Non-current assets			
Property and equipment	8	208,944,680	118,463,404
Right-of-use assets	9	5,366,062	5,770,788
Intangible assets	10	932,285	577,919
Total non-current assets		215,243,027	124,812,111
Current assets			
Contract receivables	11	749,457,185	641,166,954
Contract assets	12	559,117,947	212,223,288
Due from related parties	23	3,134,425	1,603,239
Prepayments, advances and other receivables	13	245,638,806	109,594,438
Cash and cash equivalents	14	145,724,744	351,209,261
Total current assets		1,703,073,107	1,315,797,180
Total assets		1,918,316,134	1,440,609,291
Equity and liabilities			
Equity			
Share capital	15	1,000,000	1,000,000
Statutory reserve	16	300,000	300,000
Retained earnings		949,380,349	787,445,918
Total equity		950,680,349	788,745,918
Liabilities			
Non-current liabilities			
Lease liabilities	17	94,144	2,280,812
Employee benefit obligations	18	33,698,885	32,438,310
Total non-current liabilities		33,793,029	34,719,122
Current liabilities			
Trade payables	19	240,646,026	152,097,574
Advances from customers		71,044,620	130,781,387
Contract liabilities	20	130,324,947	183,991,330
Due to related parties	23	314,861,206	37,020,382
Accrued expenses and other payables	21	114,460,131	58,332,156
Lease liabilities	17	2,894,189	2,946,246
Zakat provision	22	59,611,637	51,975,176
Total current liabilities		933,842,756	617,144,251
Total liabilities		967,635,785	651,863,373
Total equity and liabilities		1,918,316,134	1,440,609,291

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorized for issue by the Board of Directors on 31 August 2023 and were signed on their behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer

Mutlaq Al-Ghowsaini Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of changes in equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2021		1,000,000	300,000	895,255,845	896,555,845
Profit for the year		-	-	342,407,423	342,407,423
Other comprehensive loss for the year		-	-	(217,350)	(217,350)
Total comprehensive income for the year		-	-	342,190,073	342,190,073
Dividends	26	-	-	(450,000,000)	(450,000,000)
At 31 December 2021		1,000,000	300,000	787,445,918	788,745,918
Profit for the year		-	-	610,996,376	610,996,376
Other comprehensive income for the year		-	-	2,938,055	2,938,055
Total comprehensive income for the year		-	-	613,934,431	613,934,431
Dividends	26	-	-	(452,000,000)	(452,000,000)
At 31 December 2022		1,000,000	300,000	949,380,349	950,680,349

The accompanying notes are an integral part of these financial statements

These financial statements including notes were approved and authorized for issue by the Board of Directors on 31 August 2023 and were signed on their behalf by:



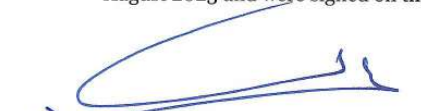
Omar bin Bijad Al-Dalbhy
 Chief Executive Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of cash flows
 (All amounts in Saudi Riyals unless otherwise stated)

		Year ended 31 December	
	Note	2022	2021
Cash flows from operating activities			
Profit before zakat		639,980,395	370,559,936
<u>Adjustments for non-cash items</u>			
Depreciation of property and equipment	8	20,038,256	16,986,112
Depreciation of right-of-use assets	9	1,826,461	994,862
Amortisation of intangible assets	10	165,234	45,487
Loss (gain) on disposal of property and equipment		287,159	(607,090)
Charge (reversal) of Impairment of financial assets	11, 12	11,385,583	(19,367,468)
Employee benefit obligations	18	6,098,650	6,467,541
Finance cost	17, 18	863,325	722,472
<u>Changes in operating assets and liabilities:</u>			
Contract receivables		(104,381,207)	(91,838,158)
Contract assets		(362,189,266)	(70,447,080)
Due from related parties		(1,531,186)	(1,048,892)
Prepayments, advances and other receivables		(136,044,368)	(28,624,576)
Trade payables		88,548,452	31,371,317
Advances from customers		(59,736,767)	74,680,171
Contract liabilities		(53,666,383)	(14,134,566)
Due to related parties		16,465,008	(25,681,675)
Accrued expenses and other payables		56,127,975	39,658,032
Cash generated from operations		124,237,321	289,736,425
Employee benefit obligations paid	18	(2,600,638)	(3,511,936)
Zakat paid	22	(21,347,558)	(15,770,429)
Net cash inflow from operating activities		100,289,125	270,454,060
Cash flows from investing activities			
Payments for purchase of property and equipment	8	(49,909,960)	(17,386,490)
Proceeds from sale of property and equipment		15,979,085	1,132,147
Payments for purchase of intangible assets	10	(519,600)	(501,500)
Net cash outflow from investing activities		(34,450,475)	(16,755,843)
Cash flows from financing activities			
Dividend paid	26	(452,000,000)	(440,959,353)
Due to related parties	23	184,500,000	-
Payment of principal elements of lease payments	17	(3,660,460)	(1,153,630)
Payment of finance cost elements of lease payments	17	(162,707)	(68,503)
Net cash outflow from financing activities		(271,323,167)	(442,181,486)
Net decrease in cash and cash equivalents		(205,484,517)	(188,483,269)
Cash and cash equivalents at beginning of year	14	351,209,261	539,692,530
Cash and cash equivalents at end of year	14	145,724,744	351,209,261
Non- cash transactions			
Dividends adjusted against the current account of the shareholders	26	-	(9,040,647)
Additions to right-of-use assets and lease liabilities	9, 17	1,421,735	5,263,384
Payments for purchase of property and equipment made by the shareholders on behalf of the Company	23	76,875,816	-

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorized for issue by the Board of Directors on 31 August 2023 and were signed on their behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2022
 (All amounts in Saudi Riyals unless otherwise stated)

1 General information

Mutlaq Al-Ghowairi Contracting Company (the "Company") is engaged in general contracting and installation of buildings, road construction, and traffic safety means, along with the maintenance, operation, and implementation of water and sanitation works, mechanical works, telephone works, garden and park construction, operation, and maintenance, road maintenance, dam works, connecting telephone and electricity networks, bridge works, rainwater drainage, and the construction and management of hospitals and health centers and clinics.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

The accompanying financial statements include the financial results of the Company and its branch registered in Riyadh under CR number 1010400529 dated 3 Jumada al-Awwal 1435H (corresponding to 1 July 2014).

2 Basis of preparation

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia ("IFRS"), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.1.1 Historical cost convention

These financial statements are prepared under the historical cost convention except for employee benefit obligations as explained in the relevant accounting policy.

2.1.2 New and amended standards adopted by the Company

There are no new accounting standards applicable to the Company, however, the Company has applied the following amendments to the accounting standards for the first time for their reporting periods commencing on or after 1 January 2022:

- Property, Plant and Equipment - Proceeds before intended use (Amendments to IAS 16): The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
- Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37: The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.
- Annual Improvements to IFRS Standards 2018–2020 - The following improvements were finalised in May 2020:
 - IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
 - IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

No material impact was identified upon adoption of the new and amended accounting standards.

2.1.3 Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are mandatory from 1 January 2023 or later reporting periods and have not been early adopted by the Company. Such standards are not expected to have a material impact in the future reporting periods and on foreseeable future transactions.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2022
 (All amounts in Saudi Riyals unless otherwise stated)

3 Significant accounting policies

The principal accounting policies applied for the preparation of financial statements of the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1	Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2	Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3	Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4	Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5	Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs or;
- The entity performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Contracts revenue

Revenue from fixed price contracts is recognised based on the percentage of completion method, which is determined using the proportion of costs incurred to date to the total costs for the completion of the contracts as estimated by the management. No profit is recognised on contract until the management believes the outcome of that contract can be assessed with reasonable certainty. In case of loss making contract, full provision is made for estimated future losses. The contract assets are included under current assets, net of provision for any losses incurred or foreseen in bringing contracts to completion, advances against work executed and progress billing received and receivable. Where progress amounts received and receivable exceed the value of work executed the excess is included under current liabilities as contract liabilities.

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3 Significant accounting policies (continued)

3.1 Revenue (continued)

Contracts revenue (continued)

The Company's contracts with its customers contain distinct goods and services but these are not distinct in the context of the contract and are therefore combined into a single performance obligation. At contract inception the Company considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- It provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted.
- one or more of the goods or services significantly modifies or customises, or are significantly modified or customised by, one or more of the other goods or services promised in the contract.
- the goods or services are highly interdependent or highly interrelated.

Contract modifications, e.g. variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue. For material contract modifications a separate contract may be recognised, based on management's assessment of the following factors:

- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Variable considerations (e.g. variation orders) are assessed/re-assessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3.2 Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligations by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

When the Company satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance.

(b) Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

(d) Retention receivable

Retention receivable represents a portion of billings retained by the customers as per contractual terms and these are recoverable either upon completion of certain milestones or at the end of the contractual term.

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3 Significant accounting policies (continued)

3.2 Contract balances (continued)

(e) Advances from customers

Advances from customers are the obligation to transfer services to a customer for which the Company has received consideration or an amount of consideration is due (whichever is earlier) from the customer. If the customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made on, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenues when the Company performs under the contract.

3.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates the ("functional currency"). The financial statements are presented in "Saudi Riyal", which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

3.4 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority (ZATCA). Zakat for the Company is calculated based on higher of approximate zakat base and adjusted profit charged to the profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

3.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss. Major spare parts qualify for recognition as property and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

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3 Significant accounting policies (continued)

3.6 Leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. The Company recognises a right-of-use asset ("RoU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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3 Significant accounting policies (continued)

3.6 Leases (continued)

Right-of-use assets (RoU)

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". The costs are included in the related RoU asset unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If the lessor transfers the ownership of the underlying asset to the lessee or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 "Impairment of Assets" to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the RoU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value. Intangible assets under development are stated at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis, over the estimated useful lives of 4 years.

3.8 Financial instruments

3.8.1 Financial asset

(i) Classification

The Company's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

(ii) Recognition and derecognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

Subsequent measurement of Company's financial assets are at amortised cost. Interest income from financial assets is measured and included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

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3 Significant accounting policies (continued)

3.8 Financial instruments (continued)

3.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or Cash-Generating Units ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For non-financial assets having indefinite useful life (excluding goodwill), an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.10 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For contract receivables and other financial assets, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Company's contract receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product for the Kingdom of Saudi Arabia, inflation rate and governmental expenditure as the most relevant factors, and accordingly, adjusts the loss rates based on such expected changes.

Contract receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due for contract receivables and contract assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

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3 Significant accounting policies (continued)

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.14 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.15 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the Labour Laws of Saudi Arabia which is based on the most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the Projected Unit Credit Method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in the profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labour Law of Saudi Arabia.

3.16 Dividends distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS that are endorsed in the kingdom of Saudi Arabia requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

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4 Critical accounting estimates and judgments (continued)

(a) Estimates related to contract costs

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

(b) ECL allowance

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 24. The following components have a major impact on credit loss allowance: definition of default, significant increase in credit risk, probability of default, exposure at default, and loss given default, as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

5 Contracts revenue

	2022	2021
Revenue from contracting services - recorded over time	2,286,424,643	1,232,232,923

The Company generated 10% or more of its contracts revenue from three customers which make up 89% of its revenues for the year ended 31 December 2022. Such customers relate to a group of entities under common control. The revenue from such customers for the year ended 31 December 2022 (and revenue for such customers in 2021) is as follows:

	2022	2021
Customer A	1,240,709,684	450,597,369
Customer B	437,474,086	31,866,433
Customer C	357,197,166	560,109,032

6 Contracts cost

	Note	2022	2021
Material Consumed		974,544,207	442,307,667
Subcontractors		332,424,448	187,935,290
Salaries, wages and benefits		103,640,656	85,401,279
Fines and government fees		33,895,041	38,692,253
Research, laboratories and engineering plans		43,335,165	18,659,167
Depreciation of property and equipment	8	19,175,384	16,528,910
Fuel		15,440,658	12,692,879
Repair and maintenance		7,567,130	12,657,831
Rents		10,493,495	8,784,741
Transportation		37,444,067	7,199,476
Utilities		2,446,092	6,436,040
Bank charges		9,725,281	4,729,456
Insurance		2,229,573	2,849,312
Consultation and professional fees		13,125	1,086,133
Depreciation of Right-of-use assets	9	1,826,461	994,862
Others		1,233,560	3,518,933
		1,595,434,343	850,474,229

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7 General and administrative expenses

	Note	2022	2021
Salaries, wages and benefits		22,035,256	22,186,314
Fines and government fees		5,532,200	3,652,553
Bank charges		1,191,687	1,777,204
Insurance		831,935	804,138
Rents		1,195,292	708,944
Office supplies		262,538	533,689
Depreciation of property and equipment	8	862,872	457,202
Fuel		1,040,872	681,144
Utilities		150,806	354,962
Repair and maintenance		406,394	282,579
Consultation and professional fees		4,073,043	168,170
Transportation		58,576	100,515
Amortisation of intangible assets	10	165,234	45,487
Others		4,180,131	926,519
		41,986,836	32,679,420

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8 Property and equipment

	1 January 2022	Additions	Disposals	Transfers	31 December 2022
2022					
Cost					
Land	5,653,500	91,812,166	(2,783,500)	-	94,682,166
Buildings	21,528,853	5,115,899	(2,918,083)	1,042,175	24,768,844
Equipment's and machinery	206,101,692	8,236,023	(14,827,273)	-	199,510,442
Office equipment	6,115,764	504,286	-	-	6,620,050
Tools	14,780,453	311,638	(349)	-	15,091,742
Concrete barriers	2,825,805	-	-	-	2,825,805
Furniture and fixtures	11,049,726	1,160,769	(164,031)	-	12,046,464
Vehicles	111,108,534	18,633,766	(4,129,332)	-	125,612,968
Capital work-in-progress	30,946	1,011,229	-	(1,042,175)	-
	379,195,273	126,785,776	(24,822,568)	-	481,158,481
Accumulated depreciation					
Land	-	-	-	-	-
Buildings	6,985,551	750,935	(634,943)	-	7,101,543
Equipment's and machinery	135,242,334	9,485,070	(4,134,557)	-	140,592,847
Office equipment	5,527,169	233,315	-	-	5,760,484
Tools	13,894,248	450,759	(349)	-	14,344,658
Concrete barriers	2,032,214	274,883	-	-	2,307,097
Furniture and fixtures	9,877,006	644,711	(163,969)	-	10,357,748
Vehicles	87,173,347	8,198,583	(3,622,506)	-	91,749,424
Capital work-in-progress	-	-	-	-	-
	260,731,869	20,038,256	(8,556,324)	-	272,213,801
	118,463,404				208,944,680

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8 Property and equipment (continued)

	1 January 2021	Additions	Disposals	Transfers	31 December 2021
2021					
Cost					
Land	5,653,500	-	-	-	5,653,500
Buildings	21,344,899	183,954	-	-	21,528,853
Equipment's and machinery	194,099,130	13,251,562	(1,249,000)	-	206,101,692
Office equipment	5,955,839	159,925	-	-	6,115,764
Tools	14,127,958	652,495	-	-	14,780,453
Concrete barriers	2,825,805	-	-	-	2,825,805
Furniture and fixtures	10,379,742	669,984	-	-	11,049,726
Vehicles	112,551,335	2,437,624	(3,880,425)	-	111,108,534
Capital work-in-progress	-	30,946	-	-	30,946
	366,938,208	17,386,490	(5,129,425)	-	379,195,273
Accumulated depreciation					
Land	-	-	-	-	-
Buildings	6,214,622	770,929	-	-	6,985,551
Equipment's and machinery	127,417,606	8,786,852	(962,124)	-	135,242,334
Office equipment	5,318,460	208,709	-	-	5,527,169
Tools	13,402,734	491,514	-	-	13,894,248
Concrete barriers	1,757,333	274,881	-	-	2,032,214
Furniture and fixtures	9,249,343	627,663	-	-	9,877,006
Vehicles	84,990,027	5,825,564	(3,642,244)	-	87,173,347
Capital work-in-progress	-	-	-	-	-
	248,350,125	16,986,112	(4,604,368)	-	260,731,869
	118,588,083				118,463,404

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8 Property and equipment (continued)

Depreciation is calculated on a straight-line basis over the following useful lives of the assets:

	Number of years
• Buildings	7 - 33
• Equipment's and machinery	15
• Devices	5
• Office equipment	3
• Concrete barriers	10
• Furniture and fixtures	3
• Vehicles	5-15

9 Right-of-use assets

	Accommodation buildings		Vehicles	
	2022	2021	2022	2021
Cost				
At 1 January	3,088,746	2,836,598	5,011,236	-
Additions	1,421,735	252,148	-	5,011,236
At 31 December	4,510,481	3,088,746	5,011,236	5,011,236
Accumulated depreciation				
At 1 January	2,183,921	1,334,332	145,273	-
Charge for the year	1,055,501	849,589	770,960	145,273
At 31 December	3,239,422	2,183,921	916,233	145,273
Net book value	1,271,059	904,825	4,095,003	4,865,963

The Company has leases in respect of accommodation buildings and vehicles. Rental contracts are typically made for a fixed period of 2 to 5 years and considered an extension option where the Company's management is reasonably certain to exercise.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases and low value assets amounting to Saudi Riyals 11.7 million (2021: Saudi Riyals 9.5 million).

10 Intangible assets

Software	2022	2021
Cost		
At 1 January	819,590	318,090
Additions	519,600	501,500
At 31 December	1,339,190	819,590
Accumulated amortisation:		
At 1 January	241,671	196,184
Amortisation	165,234	45,487
At 31 December	406,905	241,671
Net book value	932,285	577,919

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11 Contract receivables

	As at 31 December 2022	As at 31 December 2021
Progress receivable	825,079,622	719,872,653
Retention receivable	10,240,239	11,066,001
	835,319,861	730,938,654
Less: ECL allowance	(85,862,676)	(89,771,700)
	749,457,185	641,166,954

- (a) The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables. Information about the impairment of contract receivables and the Company's exposure to credit risk can be found in note 24.

For the contract receivables, the ECL allowance as at 31 December 2022 and 2021 was determined as follows:

	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
31 December 2022						
Expected loss rate	4.35%	7.62%	12.00%	19.70%	26.05%	
Gross carrying amount	472,418,783	67,151,806	94,409,965	14,567,732	176,531,336	825,079,622
ECL allowance	20,553,693	5,117,818	11,329,672	2,869,719	45,991,774	85,862,676
31 December 2021						
Expected loss rate	4.56%	7.12%	12.08%	19.15%	21.91%	
Gross carrying amount	347,257,609	34,225,839	23,438,795	11,863,619	303,086,791	719,872,653
ECL allowance	15,831,776	2,438,503	2,830,470	2,271,415	66,399,536	89,771,700

Movement in ECL allowance is as follows:

	2022	2021
At 1 January	89,771,700	111,872,968
Reversal for the year	(3,909,024)	(21,986,087)
Write-off	-	(115,181)
At 31 December	85,862,676	89,771,700

- (b) The net carrying amounts of the Company's contract receivables are denominated in Saudi Riyals.
- (c) The Company does not hold any collateral as security.

12 Contract assets

	As at 31 December 2022	As at 31 December 2021
Value of work executed	4,581,407,189	2,523,534,936
Less: progress billings	(3,829,731,515)	(2,273,993,083)
	751,675,674	249,541,853
Less: Advances from customers	(167,125,493)	(27,180,938)
	584,550,181	222,360,915
Less: ECL allowance	(25,432,234)	(10,137,627)
	559,117,947	212,223,288

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12 Contract assets (continued)

Movement in contract assets is as follows:

	2022	2021
At 1 January	249,541,853	199,053,679
Increase related to services provided during the year	1,587,980,499	681,645,843
Transferred to receivables	(1,085,846,678)	(631,157,669)
At 31 December	751,675,674	249,541,853

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables. The Company has used an expected loss rate of 4.35% as at 31 December 2022 (31 December 2021: 4.56%). Information about the impairment of contract receivables and the company's exposure to credit risk can be found in note 24 and change contract receivables to contract assets.

Movement in ECL allowance is as follows:

	2022	2021
At 1 January	10,137,627	7,519,008
Charge for the year	15,294,607	2,618,619
At 31 December	25,432,234	10,137,627

13 Prepayments, advances and other receivables

	As at 31 December 2022	As at 31 December 2021
Margins on bank guarantees and letter of credits	39,417,863	64,488,699
Advances to suppliers and subcontractors	196,191,415	40,447,892
Advances to employees	2,295,690	1,861,604
Other receivables	7,733,838	2,796,243
	245,638,806	109,594,438

Information about the impairment of advances, other receivables and the company's exposure to credit risk can be found in note 24.

14 Cash and cash equivalents

	As at 31 December 2022	As at 31 December 2021
Cash at banks	145,724,744	351,209,261

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15 Share capital

The authorised and issued share capital of the Company as of 31 December, consisted of 100,000 shares stated at Saudi Riyals 10 per share and owned as follows:

	Nationality	As at 31 December 2022	As at 31 December 2021
Mutlaq Damouk Al-Ghowiri	Saudi	52.5%	52.5%
Terad Damouk Al-Ghowairi	Saudi	22.5%	22.5%
Moudi Ajmi Al-Otaibi	Saudi	1.9%	1.9%
Reem Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Asmaa Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Shatha Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Wafaa Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Nouf Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Nada Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Abdulmajid Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Abdulmohsen Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Noura Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Hind Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Nayef Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Abdullah Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Mutlaq Mohamed Al-Ghowairi	Saudi	4.2%	4.2%
		100%	100%

16 Statutory reserve

In accordance with the Company's By-laws and the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer 10% of the profit for the year to a statutory reserve until it equals at least 30% of its share capital. The Company maintains a statutory reserve equal to 30% of its share capital. This reserve currently is not available for distribution to the shareholders of the Company.

17 Lease liabilities

	Accommodation buildings		Vehicles	
	2022	2021	2022	2021
At 1 January	675,299	1,117,304	4,551,759	-
Additions	1,421,735	252,148	-	5,011,236
Finance cost	60,098	40,947	102,609	27,556
Payments	(1,238,499)	(735,100)	(2,584,668)	(487,033)
At 31 December	918,633	675,299	2,069,700	4,551,759

The lease liabilities are presented as follows in the accompanying statement of financial position:

	As at 31 December 2022	As at 31 December 2021
Current	2,894,189	2,946,246
Non-current	94,144	2,280,812
	2,988,333	5,227,058

18 Employee benefit obligations

18.1 General description of the plan

The Company operates a defined benefit plan in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The employee benefit obligations payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Law of Saudi Arabia. Employees benefit obligations plans are unfunded plans, and the benefit payment obligations are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the Projected Unit Credit Method was carried out by an independent actuary as of 31 December 2022.

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18 Employee benefit obligations (continued)

18.1 General description of the plan (continued)

	2022	2021
At 1 January	32,438,310	28,611,386
Current service cost and interest cost	6,799,268	7,121,510
Payments	(2,600,638)	(3,511,936)
Gain (loss) on remeasurements of employee benefit obligations	(2,938,055)	217,350
At 31 December	33,698,885	32,438,310

18.2 Amounts recognised in the statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	2022	2021
Current service cost	6,098,650	6,467,541
Interest expense	700,618	653,969
Total amount recognised in profit or loss	6,799,268	7,121,510
<u>Re-measurements</u>		
(Gain) loss from change in financial assumptions	(1,387,229)	653,444
Experience gain	(1,550,826)	(436,094)
Total amount recognised in other comprehensive (income) loss	(2,938,055)	217,350

18.3 Key actuarial assumptions

	2022	2021
Discount rate	4.25%	2.25%
Salary growth rate	5.50%	3.5%

18.4 Sensitivity analysis for actuarial assumptions

2022	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	31,674,441	36,000,469
Salary growth rate	1%	1%	36,108,406	31,538,775
2021	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	29,875,378	35,455,064
Salary growth rate	1%	1%	35,547,514	29,726,555

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of employee benefit obligations calculated with Projected Unit Credit Method at the end of the reporting period) has been applied when calculating the employee benefit obligation.

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18 Employee benefit obligations (continued)

18.5 Expected maturity analysis

The weighted average duration of the employee benefit obligations is 6.5 years (2021: 8.5 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 Years	Between 2 - 5 Years	Over 5 Years	Total
31 December 2022	7,113,776	4,463,065	13,748,263	103,726,238	129,051,342
31 December 2021	5,562,910	2,909,099	10,290,224	101,322,050	120,084,283

19 Trade payables

	As at 31 December 2022	As at 31 December 2021
Commercial suppliers	175,313,754	112,045,181
Subcontractors	65,332,272	40,052,393
	240,646,026	152,097,574

20 Contract liabilities

	As at 31 December 2022	As at 31 December 2021
Progress billing	1,334,113,365	1,447,493,534
Less: value of work executed	(1,203,788,418)	(1,263,502,204)
	130,324,947	183,991,330
	As at 31 December 2022	As at 31 December 2021
At 1 January	183,991,330	198,125,896
Revenue recognised from opening contract liability	(118,599,256)	(151,601,980)
Increase due to cash received or invoices raised, net of revenue recorded	64,932,873	137,467,414
At 31 December	130,324,947	183,991,330

As of 31 December 2022, aggregate amount of the transaction price that are partially or fully unsatisfied is Saudi Riyals 3.6 billion (2021: Saudi Riyals 2.9 billion). Management expects that a significant portion of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue during 2023.

21 Accrued expenses and other payables

	As at 31 December 2022	As at 31 December 2021
Value Added Tax payable	85,771,645	30,041,901
Accrued expenses	22,097,832	24,776,741
Other credit balances	6,590,654	3,513,514
	114,460,131	58,332,156

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22 Zakat

22.1 Components of approximate zakat base

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

22.2 Provision for zakat

	2022	2021
At 1 January	51,975,176	39,593,092
Charge for the year	28,984,019	28,152,513
Payments	(21,347,558)	(15,770,429)
At 31 December	59,611,637	51,975,176

22.3 Status of certificates and final assessments

The Company filed its zakat returns and obtained zakat certificates for all the years up to 2021. The zakat assessments for all years up to 2017 have been closed with ZATCA. Management believes that Zakat provision held against open years would be sufficient to settle assessment for those years.

23 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the significant influence of the Company's shareholders), and key management personnel. Related parties also include business entities in which shareholders, certain directors or senior management have an interest.

(a) Following are the significant transactions entered into by the Company with related parties during the years ended 31 December 2022 and 2021:

Related party name	relationship	Nature of transactions	Year ended 31 December	
			2022	2021
Badr Mutlaq Al otiabi Foundation for construction	Entity under common control	Construction work services	(3,370,742)	(1,986,029)
Al khotoot AL Naqilah Company	Entity under common control	Construction work services	(44,637,231)	(54,947,229)
Al Ghowairi Al Watania Company	Entity under common control	Construction work services	(759,000)	(2,138,529)
Mohamed Damook Mutlaq Al Ghowairi Heirs	Shareholders	Dividends Paid	113,000,000	110,239,838
		Settlements	153,819	5,000,000
		Payment on behalf of the Company to purchase lands	(19,287,745)	-
		Fund transfer	(44,262,500)	-
Mutlaq Damook Mutlaq Al Ghowairi	Chairman of Board of Directors	Dividends Paid	237,300,000	231,503,661
		Settlements	5,762,210	10,000,000
		Payment on behalf of the Company to purchase lands	(40,325,408)	-
		Fund transfer	(96,862,500)	-
Torad Damook Mutlaq Al Ghowairi	Deputy Chairman of the Board	Dividends Paid	101,700,000	99,215,854
		Settlements	143,500	4,500,000
		Payment on behalf of the Company to purchase lands	(17,262,663)	-
		Fund transfer	(43,375,000)	-

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23 Related party transactions and balances (continued)

(b) Key management personnel compensation

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

	Year ended 31 December	
	2022	2021
Salaries and other short-term employee benefits	2,771,292	6,334,492
Employee benefit obligations	349,786	220,393
	3,121,078	6,554,885

(c) Related party balances

(i) Due from related parties

	As at 31 December 2022	As at 31 December 2021
<u>Entities under common control</u>		
Badr Mutlaq Al otiabi Foundation Construction	131,403	703,201
Kol Al Ayam Hotel	19,327	2,975
Anabeeb al Tag Commercial Foundation	100,000	100,000
Miral Crown Hotel – Al Riyadh	-	734,894
Afaq Al Fikr National School	91,686	9,513
Al Ghowairi Al Watania Company	584,833	-
Edarat Al Asl Company Limited	99,003	-
Bohoor Al Estethmar Company	846,895	-
Saleh Mohamed al Johaiman	-	700
<u>Other related parties</u>		
Omar Begad Hazly al Dalbahi	1,233,867	26,377
Modi Agami Al Ghowairi	27,411	-
Maged Mutlaq Al Ghowairi	-	25,579
	3,134,425	1,603,239

(ii) Due to related parties

	As at 31 December 2022	As at 31 December 2021
<u>Associated companies</u>		
Al Khotoot AL Naqilah Company	24,979,856	2,230,120
<u>Other related parties</u>		
Mutlaq Damook Mutlaq Al Ghowairi	153,102,810	18,768,871
Mohamed Damook Mutlaq Al Ghowairi Heirs	62,064,835	261,152
Torad Damook Mutlaq Al Ghowairi	74,142,705	14,979,239
Waleed Abdulrahman al Odiani	571,000	781,000
	314,861,206	37,020,382

24 Financial risk management

24.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors.

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24 Financial risk management (continued)

24.1 Financial risk factors (continued)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals. Foreign currency exposure for the Company is limited.

(ii) Fair value and cash flow interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company is not exposed to interest rate risk, as it does not carry any variable interest-bearing assets or liabilities.

(iii) Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(b) Credit risk

The risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily contract receivables, contract assets including due from related parties' balances and other current financial assets) and from its financing activities, including balances with banks.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties. As at 31 December, the exposure to credit risks for contract receivables by types of customers was as follows:

	As at 31 December 2022	As at 31 December 2021
Contract receivables	749,457,185	641,166,954
Contract assets	559,117,947	212,223,288
Due from related parties	3,134,425	1,603,239
Margins on bank guarantees and letter of credits, and other receivables	47,151,701	67,284,942
Cash and cash equivalents	145,724,744	351,209,261
	<u>1,504,586,002</u>	<u>1,273,487,684</u>

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24 Financial risk management (continued)

24.1 Financial risk factors (continued)

(b) Credit risk (continued)

Credit risk on contract receivables and contract assets is managed subject to the Company's established policy, procedures and control defined to mitigate the credit risk. Contract receivables of the Company comprised primarily of commercial suppliers and subcontractors. The Company seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The credit terms are extended to customers where the Company does not expect any inability to pay.

Simplified approach for estimating ECL:

The Company establishes ECL allowance that represents its estimate of potential losses in respect of contract receivables and contract assets. The main components of this loss are a specific loss component that relates to individual exposures and a collective loss component established for similar assets in respect of any potential losses that may have been incurred but not yet identified. The collective loss allowance is determined based on historical data of recovery statistics for similar financial assets.

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. At 31 December 2022, 93% of accounts receivables and contract assets were due from four customers (2021: 97% from three customers). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

Other financial assets such as due from related parties, other receivables and cash at banks have a low credit risk and the impact of applying ECL is immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

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24 Financial risk management (continued)

24.1 Financial risk factors (continued)

(c) *Liquidity risk (continued)*

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2022					
Lease liabilities	2,940,235	125,000	-	-	3,065,235
Trade payables	240,646,026	-	-	-	240,646,026
Due to related parties	314,861,206	-	-	-	314,861,206
Accrued expenses and other liabilities	114,460,131	-	-	-	114,460,131
	672,907,598	125,000	-	-	673,032,598
	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2021					
Lease liabilities	3,210,878	2,322,857	22,612	-	5,556,347
Trade payables	152,097,574	-	-	-	152,097,574
Due to related parties	37,020,382	-	-	-	37,020,382
Accrued expenses and other liabilities	58,332,156	-	-	-	58,332,156
	250,660,990	2,322,857	22,612	-	253,006,459

24.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's Board of Directors oversee the capital risk management. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total lease liabilities and employee benefits obligation as shown in the statement of financial position, less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2022 and 2021 were as follows:

	2022	2021
Lease liabilities	2,988,333	5,227,058
Employee benefits obligations	33,698,885	32,438,310
Less: cash and cash equivalents	(145,724,744)	(351,209,261)
Net debt	(109,037,526)	(313,543,893)
Total equity	950,680,349	788,745,918
Gearing ratio	-11%	-40%

24.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

As at 31 December 2022 and 2021 the face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate to their fair values.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2022
 (All amounts in Saudi Riyals unless otherwise stated)

25 Financial instruments

(a) Categories of financial instruments

The Company's financial instruments were classified into the following measurement categories:

	At amortised cost	
	As at	As at
	31 December	31 December
	2022	2021
Assets as per statement of financial position		
Contract receivables	749,457,185	641,166,954
Contract assets	559,117,947	212,223,288
Due from related parties	3,134,425	1,603,239
Margins on bank guarantees and letter of credits, and other receivables	47,151,701	67,284,942
Cash and cash equivalents	145,724,744	351,209,261
Total	1,504,586,002	1,273,487,684
Liabilities as per statement of financial position		
Trade payables	240,646,026	152,097,574
Other Payables	114,460,131	58,332,156
Due to related parties	314,861,206	37,020,382
Lease liabilities	2,988,333	5,227,058
Total	672,955,696	252,677,170

(b) Credit quality of financial assets

As per the credit policy of the Company, customers are extended a credit period of up to 60 days in the normal course of business related to progress billings. The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Company operates.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivable - Counterparties without external credit rating

	As at	As at
	31 December	31 December
	2022	2021
0 - 90 days	462,105,329	342,491,834
Due over 90 days	287,351,856	298,675,120
	749,457,185	641,166,954

Cash at bank

For banks, parties generally with a minimum rating of P-2 are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. As at 31 December 2022 and 2021, the Company held balances with banks that had a rating of P-1 and P-2 as per Moody's Investor Service. Accordingly, the management does not expect any losses from non-performance by these counterparties.

26 Dividends

On 12 Jumada Al-Awwal 1444 A.H. (corresponding to 6 December 2022) the shareholders in their General Assembly Meeting approved dividends of Saudi Riyals 452 million for the year ended 31 December 2022 (Saudi Riyals 4,520 per share), of which Saudi Riyals 452 million was paid in cash (2021: Saudi Riyals 450 million (Saudi Riyals 4,500 per share), of which Saudi Riyals 441 million was paid in cash).

27 Bank guarantees and letters of credit

At 31 December 2022, the Company had bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 2,084 million (2021: Saudi Riyals 1,578 million).

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2022
 (All amounts in Saudi Riyals unless otherwise stated)

28 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	2022	2021
Profit attributable to the shareholders of the Company	613,934,431	342,190,073
Weighted average number of ordinary shares for basic and diluted earnings per share	100,000	100,000
	6,139	3,422

29 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

With respect to the allocation of resources and assessment of performance of the Company, the CODM considers the entire contracting services as one function. Accordingly, presenting different segmental information is not considered necessary. Furthermore, the Company's operations are conducted in the Kingdom of Saudi Arabia.

30 Subsequent events

In the opinion of the management, there have been no significant subsequent events since the year-end that require disclosure or adjustment in these financial statements.

31 Approval of the financial statements

The financial statements of the Company for the year ended 31 December 2022 were authorized for issuance by the Board of Directors on 31 August 2023.

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Financial Statements
For the Year Ended 31 December 2023

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Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mutlaq Al-Ghowairi Contracting Company (the "Company") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further *described in the Auditor's responsibilities for the audit of the financial statements section of our report.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.



Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers



Khalid A. Mahdhar
License Number 368

14 March 2024



Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of profit or loss and other comprehensive income
 (All amounts in Saudi Riyals unless otherwise stated)

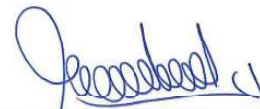
	Note	Year ended 31 December	
		2023	2022
Contracts revenue	5	3,300,319,247	2,286,424,643
Contracts cost	6	(1,782,811,660)	(1,595,434,343)
Gross profit		1,517,507,587	690,990,300
General and administrative expenses	7	(61,513,694)	(41,986,836)
Reversal (charge) of impairment of financial assets	11, 12	73,442,952	(11,385,583)
Other operating income		6,671,173	3,225,839
Operating profit		1,536,108,018	640,843,720
Finance costs	17, 18	(1,694,690)	(863,325)
Profit before zakat		1,534,413,328	639,980,395
Zakat expense	21	(46,204,752)	(28,984,019)
Profit for the year		1,488,208,576	610,996,376
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on remeasurement of employee benefit obligations	18	538,578	2,938,055
Total comprehensive income for the year		1,488,747,154	613,934,431
Earnings per share			
Basic and diluted	27	4.96	2.05

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of financial position
 (All amounts in Saudi Riyals unless otherwise stated)

		As at 31 December 2023	As at 31 December 2022
Assets	Note		
Non-current assets			
Property and equipment	8	229,786,922	208,944,680
Right-of-use assets	9	5,416,837	5,366,062
Intangible assets	10	1,259,464	932,285
Total non-current assets		236,463,223	215,243,027
Current assets			
Contract receivables	11	758,143,609	749,457,185
Contract assets	12	1,111,948,920	559,117,947
Due from related parties	22	270,224	3,134,425
Prepayments, advances and other receivables	13	111,325,855	245,638,806
Cash and cash equivalents	14	171,698,663	145,724,744
Total current assets		2,153,387,271	1,703,073,107
Total assets		2,389,850,494	1,918,316,134
Equity and liabilities			
Equity			
Share capital	15	300,000,000	1,000,000
Statutory reserve	16	300,000	300,000
Retained earnings		1,539,127,503	949,380,349
Total equity		1,839,427,503	950,680,349
Liabilities			
Non-current liabilities			
Lease liabilities	17	-	94,144
Employee benefit obligations	18	39,019,619	33,698,885
Total non-current liabilities		39,019,619	33,793,029
Current liabilities			
Trade payables	19	212,808,966	240,646,026
Advances from customers	12	16,393,765	71,044,620
Contract liabilities	12	-	130,324,947
Due to related parties	22	29,667,200	314,861,206
Accrued expenses and other payables	20	177,218,181	114,460,131
Lease liabilities	17	1,189,523	2,894,189
Zakat provision	21	74,125,737	59,611,637
Total current liabilities		511,403,372	933,842,756
Total liabilities		550,422,991	967,635,785
Total equity and liabilities		2,389,850,494	1,918,316,134

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowsairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of changes in equity
 (All amounts in Saudi Riyals unless otherwise stated)

Note	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2022	1,000,000	300,000	787,445,918	788,745,918
Profit for the year	-	-	610,996,376	610,996,376
Other comprehensive income for the year	-	-	2,938,055	2,938,055
Total comprehensive income for the year	-	-	613,934,431	613,934,431
Dividends	-	-	(452,000,000)	(452,000,000)
At 31 December 2022	1,000,000	300,000	949,380,349	950,680,349
Profit for the year	-	-	1,488,208,576	1,488,208,576
Other comprehensive income for the year	-	-	538,578	538,578
Total comprehensive income for the year	-	-	1,488,747,154	1,488,747,154
Dividends	-	-	(600,000,000)	(600,000,000)
Share capital increase	299,000,000	-	(299,000,000)	-
At 31 December 2023	300,000,000	300,000	1,539,127,503	1,839,427,503

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf by:

Omar bin Bjad Al-Dabhy
 Chief Executive Officer

Ayman Alghamdi
 Chief Financial Officer

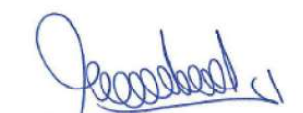
Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of cash flows
 (All amounts in Saudi Riyals unless otherwise stated)

		Year ended 31 December	
	Note	2023	2022
Cash flows from operating activities			
Profit before zakat		1,534,413,328	639,980,395
<u>Adjustments for non-cash items</u>			
Depreciation of property and equipment	8	21,714,102	20,038,256
Depreciation of right-of-use assets	9	1,976,962	1,826,461
Amortisation of intangible assets	10	405,501	165,234
(Gain)/ loss on disposal of property and equipment		(2,583,448)	287,159
(Reversal)/ charge of Impairment of financial assets	11, 12	(73,442,952)	11,385,583
Employee benefit obligations	18	7,115,020	6,098,650
Finance cost	17, 18	1,694,690	863,325
<u>Changes in operating assets and liabilities:</u>			
Contract receivables		54,927,148	(104,381,207)
Contract assets		(543,001,593)	(362,189,266)
Due from related parties		2,864,201	(1,531,186)
Prepayments, advances and other receivables		134,312,951	(136,044,368)
Trade payables		(27,837,060)	88,548,452
Advances from customers		(54,650,855)	(59,736,767)
Contract liabilities		(130,324,947)	(53,666,383)
Due to related parties		(4,407,590)	16,465,008
Accrued expenses and other payables		62,758,050	56,127,975
Cash generated from operations		985,933,508	124,237,321
Employee benefit obligations paid	18	(2,632,006)	(2,600,638)
Zakat paid	21	(31,690,652)	(21,347,558)
Net cash inflow from operating activities		951,610,850	100,289,125
Cash flows from investing activities			
Payments for purchase of property and equipment	8	(49,837,101)	(49,909,960)
Proceeds from sale of property and equipment		14,835,455	15,979,085
Payments for purchase of intangible assets	10	(732,680)	(519,600)
Net cash outflow from investing activities		(35,734,326)	(34,450,475)
Cash flows from financing activities			
Dividend paid	25	(600,000,000)	(452,000,000)
Repayment of due to related parties	22	(324,507,666)	-
Receipts against due to related parties	22	38,750,000	184,500,000
Payment of principal elements of lease payments	17	(3,826,547)	(3,660,460)
Payment of finance cost elements of lease payments	17	(318,392)	(162,707)
Net cash outflow from financing activities		(889,902,605)	(271,323,167)
Net increase (decrease) in cash and cash equivalents		25,973,919	(205,484,517)
Cash and cash equivalents at beginning of year	14	145,724,744	351,209,261
Cash and cash equivalents at end of year	14	171,698,663	145,724,744
Non- cash transactions			
Additions to right-of-use assets and lease liabilities	9, 17	2,027,737	1,421,735
Payments for purchase of property and equipment made by the shareholders on behalf of the Company	22	4,971,250	76,875,816
Increase in share capital through transfer from related earnings	15	299,000,000	-

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 14 March 2024 and were signed on its behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer


 Ayman Alghamdi
 Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2023
 (All amounts in Saudi Riyals unless otherwise stated)

1 General information

Mutlaq Al-Ghowairi Contracting Company (the "Company") is engaged in general contracting and installation of buildings, road construction, and traffic safety means, along with the maintenance, operation, and implementation of water and sanitation works, mechanical works, telephone works, garden and park construction, operation, and maintenance, road maintenance, dam works, connecting telephone and electricity networks, bridge works, rainwater drainage, and the construction and management of hospitals and health centers and clinics.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

The accompanying financial statements include the financial results of the Company registered in Riyadh. The table below shows the commercial records of the Company's branches:

CR No	Date	Registered City
1010400529	3 Jumada al-Awwal 1435H (corresponding to 1 July 2014).	Riyadh
1010672967	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh
1010944298	17 Rabi Al-Akhar 1445H (corresponding to 1 November 2023)	Riyadh
1010672956	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh

The following statement shows the commercial records of the Company and its branches.

2 Basis of preparation

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia ("IFRS"), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.1.1 Historical cost convention and going concern

These financial statements are prepared on the going concern basis under the historical cost convention except for employee benefit obligations as explained in the relevant accounting policy. Refer to notes 23.1 & 23.2 for a discussion of the Company's liquidity risk and capital risk management notes where the net current asset and net funds position is described more fully.

2.1.2 New and amended standards adopted by the Company

The following amendments became effective from 1 January 2023:

- IFRS 17, "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on February 12, 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendment to IAS 12 - International Tax Reform - Pillar Two Model Rules (issued 23 May 2023).

No material impact was identified upon adoption of the new and amended accounting standards.

2.1.3 Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are mandatory from 1 January 2023 or later reporting periods and have not been early adopted by the Company. Such standards are not expected to have a material impact in the future reporting periods and on foreseeable future transactions.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2023
 (All amounts in Saudi Riyals unless otherwise stated)

3 Summary of material accounting policies

The material accounting policies applied for the preparation of financial statements of the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1	Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2	Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3	Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4	Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5	Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs or;
- The entity performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Contracts revenue

Revenue from fixed price contracts is recognised based on the percentage of completion method, which is determined using the proportion of costs incurred to date to the total costs for the completion of the contracts as estimated by the management. No profit is recognised on contract until the management believes the outcome of that contract can be assessed with reasonable certainty. In case of loss-making contract, full provision is made for estimated future losses. The contract assets are included under current assets, net of provision for any losses incurred or foreseen in bringing contracts to completion, advances against work executed and progress billing received and receivable. Where progress amounts received and receivable exceed the value of work executed the excess is included under current liabilities as contract liabilities.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2023
 (All amounts in Saudi Riyals unless otherwise stated)

3 Summary of material accounting policies (continued)

3.1 Revenue (continued)

Contracts revenue (continued)

The Company's contracts with its customers contain distinct goods and services but these are not distinct in the context of the contract and are therefore combined into a single performance obligation. At contract inception the Company considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- It provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted.
- one or more of the goods or services significantly modifies or customises, or are significantly modified or customised by, one or more of the other goods or services promised in the contract.
- the goods or services are highly interdependent or highly interrelated.

Contract modifications, e.g. variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue. For material contract modifications a separate contract may be recognised, based on management's assessment of the following factors:

- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Variable considerations (e.g. variation orders) are assessed/re-assessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3.2 Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligations by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

When the Company satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. For impairment assessment of contract assets refer to note 3.10.

(b) Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). For impairment assessment of contract receivables refer to note 3.10.

(c) Contract liabilities and advances from customers

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Advances from customers represents amounts received from the customers at the start of the contracts. Such advances are applied to progress bills issued in a manner as mentioned in the contracts.

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3 Summary of material accounting policies (continued)

3.2 Contract balances (continued)

(d) Retention receivable

Retention receivable represents a portion of billings retained by the customers as per contractual terms and these are recoverable either upon completion of certain milestones or at the end of the contractual term.

3.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates the ("functional currency"). The financial statements are presented in "Saudi Riyal", which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

3.4 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority (ZATCA). Zakat for the Company is calculated based on higher of approximate zakat base and adjusted profit charged to the profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

3.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss. Major spare parts qualify for recognition as property and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

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3 Summary of material accounting policies (continued)

3.6 Leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. The Company recognises a right-of-use asset ("RoU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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3 Summary of material accounting policies (continued)

3.6 Leases (continued)

Right-of-use assets (RoU)

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". The costs are included in the related RoU asset unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If the lessor transfers the ownership of the underlying asset to the lessee or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 "Impairment of Assets" to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the RoU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value. Intangible assets under development are stated at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis, over the estimated useful lives of 4 years.

3.8 Financial instruments

3.8.1 Financial asset

(i) Classification

The Company's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

(ii) Recognition and derecognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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3 Summary of material accounting policies (continued)

3.8 Financial instruments (continued)

3.8.1 Financial asset (continued)

(iii) Measurement

Subsequent measurement of Company's financial assets are at amortised cost. Interest income from financial assets is measured and included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

3.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or Cash-Generating Units ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3.10 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For contract receivables and contract assets, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Company's contract receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product for the Kingdom of Saudi Arabia, inflation rate and governmental expenditure as the most relevant factors, and accordingly, adjusts the loss rates based on such expected changes.

Contract receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due for contract receivables and contract assets.

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3 Summary of material accounting policies (continued)

3.10 Impairment of financial assets (continued)

The Company calculates expected credit loss for financial assets other than contract assets and contract receivables using general approach as per IFRS9.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.14 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.15 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the Labour Laws of Saudi Arabia which is based on the most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the Projected Unit Credit Method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in the profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labour Law of Saudi Arabia.

3.16 Dividends distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

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4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS that are endorsed in the kingdom of Saudi Arabia requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

(a) Estimates related to contract costs

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

(b) ECL allowance

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 23. The following components have a major impact on credit loss allowance: definition of default, probability of default, exposure at default, and loss given default, as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

(c) Stage of completion and use of subcontractors

In some contracts that represent a single performance obligation with revenue recognised over time, the Company engages subcontractors to manufacture significant components off-site. In cases where the Company is significantly involved in the design of these components and closely oversees the manufacturing process of the supplier, the progress of the subcontractor may advance the Company's stage of completion of its performance obligation to its customer. Revenue and costs are recognised by the Company as the subcontractor performs its work provided that (i) the components do not meet the definition of uninstalled materials, and (ii) that the contract with the subcontractor results in the subcontractor being deemed to transfer control of its performance obligation to the Company over time under IFRS 15.

5 Contracts revenue

	2023	2022
Revenue from contracting services - <i>recorded over time</i>	3,281,410,840	2,286,424,643
Revenue from sale of building material - <i>recorded at point in time</i>	18,908,407	-
	3,300,319,247	2,286,424,643

The Company generated 10% or more of its contracts revenue from three customers which make up 70% of its revenues for the year ended 31 December 2023. The revenue from such customers for the year ended 31 December 2023 (and revenue for such customers in 2022) is as follows:

	2023	2022
Customer A	1,036,300,729	1,240,709,684
Customer B	836,703,685	437,474,086
Customer C	403,176,488	357,197,166

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6 Contracts cost

	Note	2023	2022
Material Consumed		828,616,757	974,544,207
Subcontractors		539,026,029	332,424,448
Salaries, wages and benefits		160,234,490	103,640,656
Fines and government fees		42,691,575	33,895,041
Research, laboratories and engineering plans		68,575,844	43,335,165
Depreciation of property and equipment	8	20,714,102	19,175,384
Fuel		19,764,195	15,440,658
Repair and maintenance		7,435,101	7,567,130
Rents		41,066,403	10,493,495
Transportation		34,274,503	37,444,067
Utilities		3,662,303	2,446,092
Bank charges		6,990,692	9,725,281
Insurance		3,603,239	2,229,573
Consultation and professional fees		240,147	13,125
Depreciation of Right-of-use assets	9	1,976,962	1,826,461
Others		3,939,318	1,233,560
		1,782,811,660	1,595,434,343

7 General and administrative expenses

	Note	2023	2022
Salaries, wages and benefits		25,278,503	22,035,256
Consultation and professional fees		14,369,428	4,073,043
Fines and government fees		7,938,629	5,532,200
Bank charges		1,203,096	1,191,687
Insurance		1,052,937	831,935
Rents		1,744,562	1,195,292
Office supplies		548,972	262,538
Depreciation of property and equipment	8	1,000,000	862,872
Fuel		1,042,545	1,040,872
Utilities		926,273	150,806
Repair and maintenance		492,555	406,394
Transportation		136,500	58,576
Amortisation of intangible assets	10	405,501	165,234
Others		5,374,193	4,180,131
		61,513,694	41,986,836

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8 Property and equipment

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
2023					
Cost					
Land	94,682,166	4,971,250	-	-	99,653,416
Buildings	24,768,844	6,741,672	(7,772,655)	-	23,737,861
Equipment and machinery	199,510,442	13,327,216	(7,625,852)	-	205,211,806
Office equipment	6,620,050	821,700	-	-	7,441,750
Tools	15,091,742	2,170,082	(62,080)	-	17,199,744
Concrete barriers	2,825,805	-	-	-	2,825,805
Furniture and fixtures	12,046,464	1,942,590	(9,300)	-	13,979,754
Vehicles	125,612,968	24,155,841	(8,299,915)	-	141,468,894
Capital work-in-progress	-	678,000	-	-	678,000
	481,158,481	54,808,351	(23,769,802)	-	512,197,030
Accumulated depreciation					
Buildings	7,101,543	1,236,960	(1,297,901)	-	7,040,602
Equipment and machinery	140,592,847	8,191,923	(2,333,076)	-	146,451,694
Office equipment	5,760,484	312,866	-	-	6,073,350
Tools	14,344,658	685,210	(30,917)	-	14,998,951
Concrete barriers	2,307,097	274,876	-	-	2,581,973
Furniture and fixtures	10,357,748	996,013	(2,325)	-	11,351,436
Vehicles	91,749,424	10,016,254	(7,853,576)	-	93,912,102
	273,213,801	21,714,102	(11,517,795)	-	282,410,108
	208,944,680				229,786,922

Capital work-in-progress relates to the new management building under construction located in Riyadh which is expected to be completed in 2024 (2022: related to certain renovations to the buildings which were completed in 2022).

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8 Property and equipment (continued)

	1 January 2022	Additions	Disposals	Transfers	31 December 2022
<u>2022</u>					
Cost					
Land	5,653,500	91,812,166	(2,783,500)	-	94,682,166
Buildings	21,528,853	5,115,899	(2,918,083)	1,042,175	24,768,844
Equipment and machinery	206,101,692	8,236,023	(14,827,273)	-	199,510,442
Office equipment	6,115,764	504,286	-	-	6,620,050
Tools	14,780,453	311,638	(349)	-	15,091,742
Concrete barriers	2,825,805	-	-	-	2,825,805
Furniture and fixtures	11,049,726	1,160,769	(164,031)	-	12,046,464
Vehicles	111,108,534	18,633,766	(4,129,332)	-	125,612,968
Capital work-in-progress	30,946	1,011,229	-	(1,042,175)	-
	379,195,273	126,785,776	(24,822,568)	-	481,158,481
Accumulated depreciation					
Buildings	6,985,551	750,935	(634,943)	-	7,101,543
Equipment and machinery	135,242,334	9,485,070	(4,134,557)	-	140,592,847
Office equipment	5,527,169	233,315	-	-	5,760,484
Tools	13,894,248	450,759	(349)	-	14,344,658
Concrete barriers	2,032,214	274,883	-	-	2,307,097
Furniture and fixtures	9,877,006	644,711	(163,969)	-	10,357,748
Vehicles	87,173,347	8,198,583	(3,622,506)	-	91,749,424
	260,731,869	20,038,256	(8,556,324)	-	272,213,801
	118,463,404				208,944,680

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8 Property and equipment (continued)

Depreciation is calculated on a straight-line basis over the following useful lives of the assets:

	Number of years
• Buildings	7 - 33
• Equipment and machinery	15
• Office equipment	5
• Tools	3
• Concrete barriers	10
• Furniture and fixtures	3
• Vehicles	5-15

9 Right-of-use assets

	Accommodation buildings	Vehicles	Total
2023			
Cost			
At 1 January	4,510,481	5,011,236	9,521,717
Additions	-	2,027,737	2,027,737
At 31 December	4,510,481	7,038,973	11,549,454
Accumulated depreciation			
At 1 January	3,239,422	916,233	4,155,655
Charge for the year	1,070,821	906,141	1,976,962
At 31 December	4,310,243	1,822,374	6,132,617
	200,238	5,216,599	5,416,837
	Accommodation buildings	Vehicles	Total
2022			
Cost			
At 1 January	3,088,746	5,011,236	8,099,982
Additions	1,421,735	-	1,421,735
At 31 December	4,510,481	5,011,236	9,521,717
Accumulated depreciation			
At 1 January	2,183,921	145,273	2,329,194
Charge for the year	1,055,501	770,960	1,826,461
At 31 December	3,239,422	916,233	4,155,655
	1,271,059	4,095,003	5,366,062

The Company has leases in respect of accommodation buildings and vehicles. Rental contracts are typically made for a fixed period of 2 to 5 years and considered an extension option where the Company's management is reasonably certain to exercise.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases and low value assets amounting to Saudi Riyals 42.8 million (2022: Saudi Riyals 11.7 million).

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10 Intangible assets

Software	2023	2022
Cost		
At 1 January	1,339,190	819,590
Additions	732,680	519,600
At 31 December	2,071,870	1,339,190
Accumulated amortisation:		
At 1 January	406,905	241,671
Amortisation	405,501	165,234
At 31 December	812,406	406,905
Net book value	1,259,464	932,285

11 Contract receivables

	As at 31 December 2023	As at 31 December 2022
Progress receivable	666,043,891	825,079,622
Retention receivable	114,348,822	10,240,239
	780,392,713	835,319,861
Less: ECL allowance	(22,249,104)	(85,862,676)
	758,143,609	749,457,185

- (a) The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables. Information about the impairment of contract receivables and the Company's exposure to credit risk can be found in note 23.

For the contract receivables, the ECL allowance as at 31 December 2023 and 2022 was determined as follows:

	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
31 December 2023						
Expected loss rate	1.96%	5.06%	6.80%	9.76%	9.84%	
Gross carrying amount	516,628,535	52,607,996	1,745,320	31,207,110	63,854,930	666,043,891
ECL allowance	10,140,737	2,663,651	118,653	3,044,875	6,281,188	22,249,104
31 December 2022						
Expected loss rate	4.35%	7.62%	12.00%	19.70%	26.05%	
Gross carrying amount	472,418,783	67,151,806	94,409,965	14,567,732	176,531,336	825,079,622
ECL allowance	20,553,693	5,117,818	11,329,672	2,869,719	45,991,774	85,862,676

Movement in ECL allowance is as follows:

	2023	2022
At 1 January	85,862,676	89,771,700
Reversal for the year	(63,613,572)	(3,909,024)
At 31 December	22,249,104	85,862,676

- (b) The net carrying amounts of the Company's contract receivables are denominated in Saudi Riyals.
- (c) The Company does not hold any collateral as security.

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12 Contract assets and contract liabilities

12.1 Contract assets

	As at 31 December 2023	As at 31 December 2022
Cumulative value of work executed	8,963,590,268	4,581,407,189
Less: progress billings	<u>(7,474,448,571)</u>	<u>(3,829,731,515)</u>
	1,489,141,697	751,675,674
Less: Advances from customers	<u>(361,589,923)</u>	<u>(167,125,493)</u>
	1,127,551,774	584,550,181
Less: ECL allowance	<u>(15,602,854)</u>	<u>(25,432,234)</u>
	<u>1,111,948,920</u>	<u>559,117,947</u>

The gross balance of advances from customers as at 31 December 2023 amounted to Saudi Riyals 378.0 million (2022: Saudi Riyals 238.2 million), of which Saudi Riyals 361.6 million was netted off against contract assets as at 31 December 2023 (2022: 167.1 million). Contract balances are reported as net assets or liabilities at the contract level in accordance with IFRS 15. Advances against contracts where work has not yet commenced amounted to Saudi Riyals 16.4 million which are presented gross on the face of the statement of financial position.

Movement in contract assets is as follows:

	2023	2022
At 1 January	751,675,674	249,541,853
Increase related to services provided during the year	3,151,085,893	1,587,980,499
Transferred to receivables	<u>(2,413,619,870)</u>	<u>(1,085,846,678)</u>
At 31 December	<u>1,489,141,697</u>	<u>751,675,674</u>

The increase in the contract assets balance is primarily attributed to contracts entered into with new customers for which invoices were under administrative approvals at the year-end. Such administrative approvals were received and significant part of contract assets balance was billed subsequent to the year end.

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables and contract assets. The Company has used an expected loss rate of 1.4% as at 31 December 2023 (31 December 2022: 4.35%). Information about the impairment of contract receivables and the company's exposure to credit risk can be found in note 23.

Movement in ECL allowance is as follows:

	2023	2022
At 1 January	25,432,234	10,137,627
(Reversal) / charge for the year	<u>(9,829,380)</u>	<u>15,294,607</u>
At 31 December	<u>15,602,854</u>	<u>25,432,234</u>

12.2 Contract liabilities

As explained in note 3.2, the Company discloses contract liabilities separately from advances from customers. Contract liabilities represent contracts where payments from customers exceed performance by more than the amount of the original up-front advance. Advances are explained above in note 12.1.

	As at 31 December 2023	As at 31 December 2022
Progress billing	-	1,334,113,365
Less: value of work executed	<u>-</u>	<u>(1,203,788,418)</u>
	<u>-</u>	<u>130,324,947</u>

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12 Contract assets and contract liabilities (continued)

12.2 Contract liabilities (continued)

	As at 31 December 2023	As at 31 December 2022
At 1 January	130,324,947	183,991,330
Revenue recognised from opening contract liability	(130,324,947)	(118,599,256)
Increase due to cash received or invoices raised, net of revenue recorded	-	64,932,873
At 31 December	-	130,324,947

As of 31 December 2023, the aggregate amount of the transaction price for executed contracts that are partially or fully unsatisfied is Saudi Riyals 3.0 billion (2022: Saudi Riyals 3.6 billion). Management expects that a significant portion of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue during 2024. As at 31 December 2023, the Company was in the process of submitting bids for high value projects, and the Company's management expects to secure such projects with financial impact expected from 2024.

13 Prepayments, advances and other receivables

	As at 31 December 2023	As at 31 December 2022
Margins on bank guarantees and letter of credits	30,472,992	39,417,863
Advances to suppliers and subcontractors	69,043,550	196,191,415
Advances to employees	978,194	2,295,690
Other receivables	10,831,119	7,733,838
	111,325,855	245,638,806

Information about the impairment of advances, other receivables and the company's exposure to credit risk can be found in note 23.

14 Cash and cash equivalents

	As at 31 December 2023	As at 31 December 2022
Cash at banks	120,442,450	145,724,744
Deposits at call	51,256,213	-
	171,698,663	145,724,744

Deposits at call as at 31 December 2023, represent deposits placed with a commercial bank, with original maturity period of less than three months and carry market rate of interest.

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15 Share capital

The authorised and issued share capital of the Company as of 31 December 2023 consisted of 30,000,000 shares (2022: 100,000 shares) stated at Saudi Riyals 10 per share and owned as follows:

	Nationality	As at 31 December 2023	As at 31 December 2022
Mutlaq Damouk Al-Ghowairi	Saudi	52.50%	52.5%
Terad Damouk Al-Ghowairi	Saudi	22.50%	22.5%
Moudi Ajmi Al-Otaibi	Saudi	1.90%	1.9%
Reem Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Asmaa Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Shatha Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Wafaa Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Nouf Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Nada Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Abdulmajid Mohamed Al-Ghowairi	Saudi	2.40%	2.4%
Abdulmohsen Mohamed Al-Ghowairi	Saudi	2.40%	2.4%
Noura Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Hind Mohamed Al-Ghowairi	Saudi	1.20%	1.2%
Nayef Mohamed Al-Ghowairi	Saudi	2.40%	2.4%
Abdullah Mohamed Al-Ghowairi	Saudi	2.40%	2.4%
Mutlaq Mohamed Al-Ghowairi	Saudi	4.20%	4.2%
		100%	100%

During the year, the Company's shareholders passed the resolution to increase the share capital of the Company by Saudi Riyals 299.0 million through the conversion of amounts from retained earnings. Legal formalities relating to such increase in share capital were completed during the year.

16 Statutory reserve

In accordance with its By-laws, before it has been amended as explained in the following paragraph, the Company was required to transfer 10% of its annual net income to a statutory reserve and the Ordinary General Assembly may decide to discontinue setting aside such percentage if the reserve reaches at least 30% of paid-in capital.

The Company's Extra Ordinary General Assembly meeting held on 16 November 2023 approved certain amendments to its By-laws to comply with the new applicable Companies' Law, including elimination of the requirement of the aforementioned transfer to a statutory reserve and decided to discontinue setting aside further amounts. This reserve was not available for distribution to the shareholders of the Company.

17 Lease liabilities

	Accommodation buildings		Vehicles	
	2023	2022	2023	2022
At 1 January	918,633	675,299	2,069,700	4,551,759
Additions	-	1,421,735	2,027,737	-
Finance cost	28,524	60,098	289,868	102,609
Payments	(853,100)	(1,238,499)	(3,291,839)	(2,584,668)
At 31 December	94,057	918,633	1,095,466	2,069,700

The lease liabilities are presented as follows in the accompanying statement of financial position:

	As at 31 December 2023	As at 31 December 2022
Current	1,189,523	2,894,189
Non-current	-	94,144
	1,189,523	2,988,333

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18 Employee benefit obligations

18.1 General description of the plan

The Company operates a defined benefit plan in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The employee benefit obligations payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Law of Saudi Arabia. Employees benefit obligations plans are unfunded plans, and the benefit payment obligations are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the Projected Unit Credit Method was carried out by an independent actuary as of 31 December 2023.

	2023	2022
At 1 January	33,698,885	32,438,310
Current service cost and interest cost	8,491,318	6,799,268
Payments	(2,632,006)	(2,600,638)
Gain on remeasurements of employee benefit obligations	(538,578)	(2,938,055)
At 31 December	39,019,619	33,698,885

18.2 Amounts recognised in the statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	2023	2022
Current service cost	7,115,020	6,098,650
Interest expense	1,376,298	700,618
Total amount recognised in profit or loss	8,491,318	6,799,268
<u>Re-measurements</u>		
Gain from change in financial assumptions	(1,224,566)	(1,387,229)
Experience loss / (gain)	685,988	(1,550,826)
Total amount recognised in other comprehensive income	(538,578)	(2,938,055)

18.3 Key actuarial assumptions

	2023	2022
Discount rate	4.75%	4.25%
Salary growth rate	5.5%	5.50%

18.4 Sensitivity analysis for actuarial assumptions

2023	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	36,785,603	41,548,868
Salary growth rate	1%	1%	41,691,314	36,615,462
2022	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	31,674,441	36,000,469
Salary growth rate	1%	1%	36,108,406	31,538,775

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of employee benefit obligations calculated with Projected Unit Credit Method at the end of the reporting period) has been applied when calculating the employee benefit obligation.

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18 Employee benefit obligations (continued)

18.5 Expected maturity analysis

The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 Years	Between 2 - 5 Years	Over 5 Years	Total
31 December 2023	9,835,919	5,708,080	18,287,456	148,643,743	182,475,198
31 December 2022	7,113,776	4,463,065	13,748,263	103,726,238	129,051,342

19 Trade payables

	As at 31 December 2023	As at 31 December 2022
Commercial suppliers	133,756,114	175,313,754
Subcontractors	79,052,852	65,332,272
	212,808,966	240,646,026

Also refer to note 22 for trade payable balances related to related parties.

20 Accrued expenses and other payables

	As at 31 December 2023	As at 31 December 2022
Value Added Tax payable	61,991,506	85,771,645
Accrued expenses	106,479,563	22,097,832
Other credit balances	8,747,112	6,590,654
	177,218,181	114,460,131

21 Zakat

21.1 Components of approximate zakat base

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

21.2 Provision for zakat

	2023	2022
At 1 January	59,611,637	51,975,176
Charge for the year	46,204,752	28,984,019
Payments	(31,690,652)	(21,347,558)
At 31 December	74,125,737	59,611,637

21.3 Status of certificates and final assessments

The Company filed its zakat returns and obtained zakat certificates for all the years up to 2022. The zakat assessments for all years up to 2017 have been closed with ZATCA. Management believes that Zakat provision held against open years would be sufficient to settle assessment for those years.

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22 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the significant influence of the Company's shareholders), and key management personnel. Related parties also include business entities in which shareholders, certain directors or senior management have an interest.

(a) Following are the significant transactions entered into by the Company with related parties during the years ended 31 December 2023 and 2022:

Related party name	Relationship	Nature of transactions	Year ended 31 December 2023	2022
Badr Mutlaq Al Otaibi Foundation for construction	Entity under common control	Construction work services	(2,879,860)	(3,370,742)
Al Khotoot Al Naqilah Company	Entity under common control	Construction work services	(116,979,534)	(44,637,231)
Al Ghowairi Al Watania Company	Entity under common control	Construction work services	(38,565,426)	(759,000)
Mohamed Damook Mutlaq Al Ghowairi Heirs	Shareholders	Dividends Paid	150,000,000	113,000,000
		Settlements	74,455,077	153,819
		Payment on behalf of the Company to purchase lands	-	(19,287,745)
		Fund transfer	(12,500,000)	(44,262,500)
Mutlaq Damook Mutlaq Al Ghowairi	Chairman of Board of Directors	Dividends Paid	315,000,000	237,300,000
		Settlements	176,535,214	5,762,210
		Payment on behalf of the Company to purchase lands	-	(40,325,408)
		Fund transfer	(26,250,000)	(96,862,500)
Torad Damook Mutlaq Al Ghowairi	Deputy Chairman of the Board	Dividends Paid	135,000,000	101,700,000
		Settlements	73,517,375	143,500
		Payment on behalf of the Company to purchase lands	-	(17,262,663)
		Fund transfer	-	(43,375,000)

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22 Related party transactions and balances (continued)

(b) Key management personnel compensation

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

	Year ended 31 December	
	2023	2022
Salaries and other short-term employee benefits	11,507,577	2,771,292
Employee benefit obligations	471,248	349,786
	11,978,825	3,121,078

(c) Related party balances

(i) Due from related parties

	As at 31 December 2023	As at 31 December 2022
<u>Entities under common control</u>		
Badr Mutlaq Al Otaibi Foundation Construction	-	131,403
Kol Al Ayam Hotel	-	19,327
Anabeeb al Tag Commercial Foundation	-	100,000
Afaq Al Fikr National School	-	91,686
Al Ghowairi Al Watania Company	-	584,833
Edarat Al Asl Company Limited	270,224	99,003
Bohoor Al Estethmar Company	-	846,895
<u>Other related parties</u>		
Omar Begad Hazly al Dalbahi	-	1,233,867
Modi Agami Al Ghowairi	-	27,411
	270,224	3,134,425

(ii) Due to related parties

	As at 31 December 2023	As at 31 December 2022
<u>Associated companies</u>		
Al Khotoot AL Naqilah Company*	19,136,361	24,979,856
Al Ghowairi Al Watania Company*	9,397,503	-
Badr Mutlaq Al Otiabi Foundation for Construction*	32,200	-
<u>Other related parties</u>		
Mutlaq Damook Mutlaq Al Ghowairi	154,856	153,102,810
Mohamed Damook Mutlaq Al Ghowairi Heirs	-	62,064,835
Torad Damook Mutlaq Al Ghowairi	217,000	74,142,705
Waleed Abdulrahman al Odiani	-	571,000
Omar Begad Hazly al Dalbahi	154,856	-
Saleh Mohamed al Johaiman	154,856	-
Ibrahim Bin Ali Al Mohsen	157,356	-
Imad Obaid Al Otabi	104,856	-
Mutlaq Mohamed	157,356	-
	29,667,200	314,861,206

* Such balances primarily represent payable balances which are trading in nature for construction services received.

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23 Financial risk management

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Director.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals. Foreign currency exposure for the Company is limited.

(ii) Fair value and cash flow interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk, as it has deposits with commercial banks which earn financial income on prevailing market rates. However, for 2023, the effect on profit or loss due to change in the market interest rates is not material.

(iii) Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(b) Credit risk

The risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily contract receivables, contract assets including due from related parties' balances and other current financial assets) and from its financing activities, including balances with banks.

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23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(b) Credit risk (continued)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties. As at 31 December, the maximum exposure to credit risks was as follows:

	As at 31 December 2023	As at 31 December 2022
Contract receivables	758,143,609	749,457,185
Contract assets	1,111,948,920	559,117,947
Due from related parties	270,224	3,134,425
Margins on bank guarantees and letter of credits, and other receivables	41,304,111	47,151,701
Cash and cash equivalents	171,698,663	145,724,744
	2,083,365,527	1,504,586,002

Credit risk on contract receivables and contract assets is managed subject to the Company's established policy, procedures and control defined to mitigate the credit risk. Contract receivables of the Company comprised primarily of balances due from customers for contracting services rendered by the Company. The Company seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The credit terms are extended to customers where the Company does not expect any inability to pay.

Simplified approach for estimating ECL:

The Company establishes ECL allowance that represents its estimate of potential losses in respect of contract receivables and contract assets. The main components of this loss are a specific loss component that relates to individual exposures and a collective loss component established for similar assets in respect of any potential losses that may have been incurred but not yet identified. The collective loss allowance is determined based on historical data of recovery statistics for similar financial assets.

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. At 31 December 2023, 87% of accounts receivables and contract assets were due from four customers (2022: 93% from three customers). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

The ECL on other financial assets such as due from related parties, other receivables and cash at banks is considered immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

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23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2023					
Lease liabilities	1,319,204	-	-	-	1,319,204
Trade payables	212,808,966	-	-	-	212,808,966
Due to related parties	29,667,200	-	-	-	29,667,200
Accrued expenses and other liabilities	177,218,181	-	-	-	177,218,181
	421,013,551	-	-	-	421,013,551
	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2022					
Lease liabilities	2,940,235	125,000	-	-	3,065,235
Trade payables	240,646,026	-	-	-	240,646,026
Due to related parties	314,861,206	-	-	-	314,861,206
Accrued expenses and other liabilities	114,460,131	-	-	-	114,460,131
	672,907,598	125,000	-	-	673,032,598

As explained in note 23.2 below, the Company has a very strong liquidity position. While all of the liabilities in the table above are current, the Company's current assets exceed current liabilities by more than four times. In addition, the Company is in a net funds position meaning that it has enough cash on hand to repay all of its borrowings and lease liabilities immediately.

23.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company's Board of Directors oversees the capital risk management. Until 2022, the Company was monitoring capital risk based on gearing ratio. During 2023, the Company repaid a significant portion of the balances due to shareholders which were received to support the Company, leading to the Company now mainly being financed through equity and having a net-funds position at 31 December 2023. Further, the Company has no external borrowings other than a minor amount of leases and demand liabilities due to shareholders. Accordingly, the Company stopped using the gearing ratio to monitor capital risk. The shareholders of the Company monitor the funding requirements and provide funding as and when needed. The strong capital position of the Company was further enhanced by the decision of the shareholders to increase the share capital of the Company by transferring funds from retained earnings. The Board of the Company will continue to assess the funding requirements of the Company and seek additional funding as and when needed.

For the purpose of the Company's capital risk management, capital includes issued capital, and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

	2023	2022
Lease liabilities	1,189,523	2,988,333
Due to related parties	29,667,200	314,861,206
Less: cash and cash equivalents	(171,698,663)	(145,724,744)
Net (funds) debt	(140,841,940)	172,124,795
Total equity	1,839,427,503	950,680,349
Gearing ratio (if applicable)	-	18%

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2023
 (All amounts in Saudi Riyals unless otherwise stated)

23 Financial risk management (continued)

23.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

As at 31 December 2023 and 2022 the carrying value of financial assets and liabilities approximate their fair values due to their short term nature.

24 Financial instruments

(a) Categories of financial instruments

The Company's financial instruments were classified into the following measurement categories:

	At amortised cost	
	As at 31 December 2023	As at 31 December 2022
Assets as per statement of financial position		
Contract receivables	758,143,609	749,457,185
Due from related parties	270,224	3,134,425
Margins on bank guarantees and letter of credits, and other receivables	41,304,111	47,151,701
Cash and cash equivalents	171,698,663	145,724,744
Total	971,416,607	945,468,055
	At amortised cost	
	As at 31 December 2023	As at 31 December 2022
Liabilities as per statement of financial position		
Trade payables	212,808,966	240,646,026
Accrued expenses and other liabilities	177,218,181	114,460,131
Due to related parties	29,667,200	314,861,206
Total	419,694,347	669,967,363

(b) Credit quality of financial assets

As per the credit policy of the Company, customers are extended a credit period of up to 60 days in the normal course of business related to progress billings. The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Company operates.

The following table shows the aging for contract receivable balances where no external credit ratings is available:

Trade receivable - Counterparties without external credit rating

	As at 31 December 2023	As at 31 December 2022
0 - 90 days	620,836,620	462,105,329
Due over 90 days	137,306,989	287,351,856
	758,143,609	749,457,185

Cash at bank

For banks, parties generally with a minimum rating of P-2 are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. As at 31 December 2023 and 2022, the Company held balances with banks that had a rating of P-1 and P-2 as per Moody's Investor Service. Accordingly, the management does not expect any losses from non-performance by these counterparties.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2023
 (All amounts in Saudi Riyals unless otherwise stated)

25 Dividends

On 2 Jumada Al-Awwal 1445 A.H. (corresponding to 16 November 2023) the shareholders in their Extra Ordinary General Assembly Meeting approved dividends of Saudi Riyals 600 million for the year ended 31 December 2023 (Saudi Riyals 20 per share), of which Saudi Riyals 452 million was paid in cash (2022: Saudi Riyals 452 million (Saudi Riyals 4,500 per share), of which Saudi Riyals 452 million was paid in cash).

26 Bank guarantees and letters of credit

At 31 December 2023, the Company had bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 2,413 million (2022: Saudi Riyals 2,084 million).

27 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

As stated in note 15, the Company increased its shares from 100,000 shares to 30,000,000 shares in 2023. Further, after the end of reporting period but before the authorisation of financial statements for issuance, a share split was approved by the General Assembly (refer note 29), which increased the shares to 300,000,000 shares. Accordingly, the calculation for basic and diluted earnings per share is based on 300,000,000 shares to incorporate the effect of such events retrospectively. The earnings per share for 2022 are restated for the effect of bonus issue and shares split in accordance with the requirements of IAS33.

	2023	2022
Profit attributable to the shareholders of the Company	1,488,747,154	613,934,431
Weighted average number of ordinary shares for basic and diluted earnings per share	300,000,000	300,000,000
	<u>4.96</u>	<u>2.05</u>

28 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

The Company's operations are related to one operating segment which is contracting services. The Company's operations are conducted in the Kingdom of Saudi Arabia and information related to revenue from major customers is disclosed in note 5.

29 Subsequent events

The Company's Extra-Ordinary General Assembly in its meeting held on 28 January 2024, approved a share split into ten shares, so that the nominal value of the share becomes one riyal, and amending the By-laws and shareholder register accordingly.

30 Approval of the financial statements

The financial statements of the Company for the year ended 31 December 2023 were authorized for issuance by the Board of Directors on 14 March 2024.

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Financial Statements
For the Year Ended 31 December 2024**

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Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mutlaq Al-Ghowairi Contracting Company (the "Company") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the statement of financial position as at 31 December 2024;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further *described in the Auditor's responsibilities for the audit of the financial statements section of our report.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers



Khalid A. Mahdhar
License Number 368

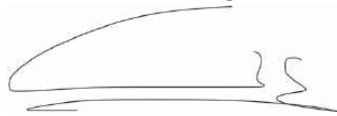
29 March 2025

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of profit or loss and other comprehensive income
 (All amounts in Saudi Riyals unless otherwise stated)

		Year ended 31 December	
	Note	2024	2023
Contracts revenue	5	3,237,472,912	3,300,319,247
Contracts cost	6	(1,858,297,669)	(1,782,811,660)
Gross profit		1,379,175,243	1,517,507,587
General and administrative expenses	7	(65,169,890)	(61,513,694)
(Charge) reversal of impairment of financial assets	11, 12	(46,706,470)	73,442,952
Other operating income		9,639,717	6,671,173
Operating profit		1,276,938,600	1,536,108,018
Finance costs	17, 18	(1,877,658)	(1,694,690)
Finance income		4,695,875	-
Profit before zakat		1,279,756,817	1,534,413,328
Zakat expense	21	(70,309,345)	(46,204,752)
Profit for the year		1,209,447,472	1,488,208,576
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on remeasurement of employee benefit obligations	18	2,243,189	538,578
Total comprehensive income for the year		1,211,690,661	1,488,747,154
Earnings per share			
Basic and diluted	27	1.51	1.86

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 29 March 2025 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



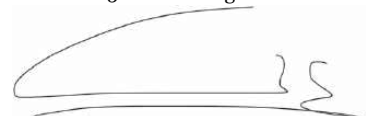
Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of financial position
 (All amounts in Saudi Riyals unless otherwise stated)

		As at 31 December 2024	As at 31 December 2023
	Note		
Assets			
Non-current assets			
Property and equipment	8	226,932,450	229,786,922
Right-of-use assets	9	4,621,025	5,416,837
Intangible assets	10	1,408,064	1,259,464
Total non-current assets		232,961,539	236,463,223
Current assets			
Contract receivables	11	998,696,529	758,143,609
Contract assets	12	1,703,650,109	1,111,948,920
Due from related parties	22	16,017,890	270,224
Prepayments, advances and other receivables	13	232,971,383	111,325,855
Cash and cash equivalents	14	190,202,150	171,698,663
Total current assets		3,141,538,061	2,153,387,271
Total assets		3,374,499,600	2,389,850,494
Equity and liabilities			
Equity			
Share capital	15	800,000,000	300,000,000
Statutory reserve	16	300,000	300,000
Retained earnings		1,850,818,164	1,539,127,503
Total equity		2,651,118,164	1,839,427,503
Liabilities			
Non-current liability			
Employee benefit obligations	18	43,131,292	39,019,619
Current liabilities			
Trade payables	19	191,568,591	212,808,966
Advances from customers	12	28,836,832	16,393,765
Due to related parties	22	9,029,259	29,667,200
Accrued expenses and other payables	20	351,421,163	177,218,181
Lease liabilities	17	252,999	1,189,523
Zakat provision	21	99,141,300	74,125,737
Total current liabilities		680,250,144	511,403,372
Total liabilities		723,381,436	550,422,991
Total equity and liabilities		3,374,499,600	2,389,850,494

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 29 March 2025 and were signed on its behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer


 Ayman Alghamdi
 Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of changes in equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2023		1,000,000	300,000	949,380,349	950,680,349
Profit for the year		-	-	1,488,208,576	1,488,208,576
Other comprehensive income for the year		-	-	538,578	538,578
Total comprehensive income for the year		-	-	1,488,747,154	1,488,747,154
Dividends		-	-	(600,000,000)	(600,000,000)
Share capital increase	25	299,000,000	-	(299,000,000)	-
At 31 December 2023		300,000,000	300,000	1,539,127,503	1,839,427,503
Profit for the year		-	-	1,209,447,472	1,209,447,472
Other comprehensive income for the year		-	-	2,243,189	2,243,189
Total comprehensive income for the year		-	-	1,211,690,661	1,211,690,661
Dividends		-	-	(400,000,000)	(400,000,000)
Share capital increase	25	500,000,000	-	(500,000,000)	-
At 31 December 2024	15	800,000,000	300,000	1,850,818,164	2,651,118,164

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 29 March 2025 and were signed on its behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer


 Ayman Alghamdi
 Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of cash flows
 (All amounts in Saudi Riyals unless otherwise stated)

		Year ended 31 December	
	Note	2024	2023
Cash flows from operating activities			
Profit before zakat		1,279,756,817	1,534,413,328
<u>Adjustments for non-cash items</u>			
Depreciation of property and equipment	8	23,359,467	21,714,102
Depreciation of right-of-use assets	9	1,134,613	1,976,962
Amortisation of intangible assets	10	448,194	405,501
Gain on disposal of property and equipment		(3,172,383)	(2,583,448)
Charge / (reversal) of impairment of financial assets	11, 12	46,706,470	(73,442,952)
Employee benefit obligations	18	7,859,977	7,115,020
Finance cost	17, 18	1,877,658	1,694,690
<u>Changes in operating assets and liabilities:</u>			
Contract receivables		(275,334,020)	54,927,148
Contract assets		(603,626,559)	(543,001,593)
Due from related parties		(19,290,646)	2,864,201
Prepayments, advances and other receivables		(121,645,528)	134,312,951
Trade payables		(21,240,375)	(27,837,060)
Advances from customers		12,443,067	(54,650,855)
Contract liabilities		-	(130,324,947)
Due to related parties		(20,637,941)	(4,407,590)
Accrued expenses and other payables		174,202,982	62,758,050
Cash generated from operations		482,841,793	985,933,508
Employee benefit obligations paid	18	(3,280,632)	(2,632,006)
Zakat paid	21	(45,293,782)	(31,690,652)
Net cash inflow from operating activities		434,267,379	951,610,850
Cash flows from investing activities			
Payments for purchase of property and equipment	8	(29,331,977)	(49,837,101)
Proceeds from sale of property and equipment		11,999,365	14,835,455
Payments for purchase of intangible assets	10	(596,794)	(732,680)
Net cash outflow from investing activities		(17,929,406)	(35,734,326)
Cash flows from financing activities			
Dividend paid	25	(396,457,020)	(600,000,000)
Repayment of due to related parties	22	-	(324,507,666)
Receipts against due to related parties	22	-	38,750,000
Payment of principal elements of lease payments	17	(1,275,325)	(3,826,547)
Payment of finance cost elements of lease payments	17	(102,141)	(318,392)
Net cash outflow from financing activities		(397,834,486)	(889,902,605)
Net increase in cash and cash equivalents		18,503,487	25,973,919
Cash and cash equivalents at beginning of year	14	171,698,663	145,724,744
Cash and cash equivalents at end of year	14	190,202,150	171,698,663
Non- cash transactions			
Additions to right-of-use assets and lease liabilities	9, 17	338,803	2,027,737
Payments for purchase of property and equipment made by the shareholders on behalf of the Company	22	-	4,971,250
Dividends adjusted against due from related parties	22	3,542,980	-
Increase in share capital through transfer from related earnings	15	500,000,000	299,000,000

The accompanying notes are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 29 March 2025 and were signed on its behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer


 Ayman Alghamdi
 Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

1 General information

Mutlaq Al-Ghowairi Contracting Company (the "Company") is engaged in general contracting and installation of buildings, road construction, and traffic safety means, along with the maintenance, operation, and implementation of water and sanitation works, mechanical works, telephone works, garden and park construction, operation, and maintenance, road maintenance, dam works, connecting telephone and electricity networks, bridge works, rainwater drainage, and the construction and management of hospitals and health centers and clinics.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

The accompanying financial statements include the financial results of the Company registered in Riyadh. The table below shows the commercial records of the Company's branches:

CR No	Date	Registered City
1010400529	3 Jumada al-Awwal 1435H (corresponding to 1 July 2014).	Riyadh
1010672967	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh
1010944298	17 Rabi Al-Akhar 1445H (corresponding to 1 November 2023)	Riyadh
1010672956	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh

2 Basis of preparation

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia ("IFRS"), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.1.1 Historical cost convention and going concern

These financial statements are prepared on the going concern basis under the historical cost convention except for employee benefit obligations as explained in the relevant accounting policy.

2.1.2 New and amended standards adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period. The Company has adopted the following relevant amendments to IFRS which are effective for period beginning on and after 1 January 2024, and have no impact on the Company:

Amendments to IAS 1: Classification of liabilities as current or non-current elaborates the requirements of 'right to defer settlement' by clarifying the meaning of right to defer and how the classification is unaffected by the likelihood that an entity will exercise such deferral right. The amendments published in 2020 and 2022 respectively, clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. Only covenants with which a company must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or non-current at the reporting date.

2.1.3 Standards and interpretations issued but not yet effective and not applied by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2024 reporting periods and have not been early adopted by the Company. The standards, interpretations and amendments issued, but are not yet effective are disclosed below.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

2 Basis of preparation (Continued)

2.1 Statement of compliance (Continued)

2.1.3 Standards and interpretations issued but not yet effective and not applied by the Company
 (Continued)

Title	Key requirements	Effective date
Amendments to IAS 21 - Lack of Exchangeability	In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.	1 January 2025
IFRS 18 - Presentation and Disclosure in Financial Statements	In April 2024 the IASB issued a new International Financial Reporting Standard to improve reporting of financial performance.	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 was issued in May 2024 and specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	The amendment clarifies the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarifies and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, and adds new disclosures for certain instruments with contractual terms that can change cash flows and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income.	1 January 2026

The Company has not early adopted the above amendments and the Company's management is currently assessing the impact of these amendments.

3 Summary of material accounting policies

The material accounting policies applied for the preparation of financial statements of the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2 Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

3 Summary of material accounting policies (Continued)

3.1 Revenue (Continued)

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs or;
- The entity performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods.

Contracts revenue

Revenue from fixed price contracts is recognised based on the percentage of completion method, which is determined using the proportion of costs incurred to date to the total costs for the completion of the contracts as estimated by the management. No profit is recognised on contract until the management believes the outcome of that contract can be assessed with reasonable certainty. In case of loss-making contract, full provision is made for estimated future losses. The contract assets are included under current assets, net of provision for any losses incurred or foreseen in bringing contracts to completion, advances against work executed and progress billing received and receivable. Where progress amounts received and receivable exceed the value of work executed the excess is included under current liabilities as contract liabilities.

The Company's contracts with its customers contain distinct goods and services but these are not distinct in the context of the contract and are therefore combined into a single performance obligation. At contract inception the Company considers the following factors to determine whether the contract contains a single performance obligation or multiple performance obligations:

- It provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted.
- one or more of the goods or services significantly modifies or customises, or are significantly modified or customised by, one or more of the other goods or services promised in the contract.
- the goods or services are highly interdependent or highly interrelated.

Contract modifications, e.g. variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue. For material contract modifications a separate contract may be recognised, based on management's assessment of the following factors:

- the scope of the contract increases because of the addition of promised goods or services that are distinct; and
- the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

Variable considerations (e.g. variation orders) are assessed/re-assessed using the expected value approach, as appropriate, at each reporting date where it is considered highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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3 Summary of material accounting policies (Continued)

3.2 Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligations by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

When the Company satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. For impairment assessment of contract assets refer to note 3.10.

(b) Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). For impairment assessment of contract receivables refer to note 3.10.

(c) Contract liabilities and advances from customers

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Advances from customers represents amounts received from the customers at the start of the contracts. Such advances are applied to progress bills issued in a manner as mentioned in the contracts.

(d) Retention receivable

Retention receivable represents a portion of billings retained by the customers as per contractual terms and these are recoverable either upon completion of certain milestones or at the end of the contractual term.

3.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates the ("functional currency"). The financial statements are presented in "Saudi Riyal", which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

3.4 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority (ZATCA). Zakat for the Company is calculated based on higher of approximate zakat base and adjusted profit charged to the profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

3.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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3 Summary of material accounting policies (Continued)

3.5 Property and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss. Major spare parts qualify for recognition as property and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

3.6 Leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. The Company recognises a right-of-use asset ("RoU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

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3 Summary of material accounting policies (Continued)

3.6 Leases (Continued)

Lease liabilities (Continued)

- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets (RoU)

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". The costs are included in the related RoU asset unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If the lessor transfers the ownership of the underlying asset to the lessee or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 "Impairment of Assets" to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the RoU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value. Intangible assets under development are stated at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

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3 Summary of material accounting policies (continued)

3.7 Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis, over the estimated useful lives of 4 years.

3.8 Financial instruments

3.8.1 Financial asset

(i) Classification

The Company's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

(ii) Recognition and derecognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

Subsequent measurement of Company's financial assets are at amortised cost. Interest income from financial assets is measured and included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

3.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or Cash-Generating Units ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

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3 Summary of material accounting policies (continued)

3.9 Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3.10 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For contract receivables and contract assets, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Company's contract receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product for the Kingdom of Saudi Arabia, inflation rate and governmental expenditure as the most relevant factors, and accordingly, adjusts the loss rates based on such expected changes.

Contract receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due for contract receivables and contract assets.

The Company calculates expected credit loss for financial assets other than contract assets and contract receivables using general approach as per IFRS9.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.14 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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3 Summary of material accounting policies (continued)

3.15 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the Labour Laws of Saudi Arabia which is based on the most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the Projected Unit Credit Method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in the profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labour Law of Saudi Arabia.

3.16 Dividends distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS that are endorsed in the kingdom of Saudi Arabia requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

(a) Estimates related to contract costs

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

A 1% increase in estimated contract costs would result in a decrease in contract margin of Saudi Riyals 47.5 million, while a 1% decrease in estimated contract costs would result in an increase in contract margin of Saudi Riyals 29.8 million.

(b) ECL allowance

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 23. The following components have a major impact on credit loss allowance: definition of default, probability of default, exposure at default, and loss given default, as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

(c) Stage of completion and use of subcontractors

In some contracts that represent a single performance obligation with revenue recognised over time, the Company engages subcontractors to manufacture significant components off-site. In cases where the Company is significantly involved in the design of these components and closely oversees the manufacturing process of the supplier, the progress of the subcontractor may advance the Company's stage of completion of its performance obligation to its customer. Revenue and costs are recognised by the Company as the subcontractor performs its work provided that (i) the components do not meet the definition of uninstalled materials, and (ii) that the contract with the subcontractor results in the subcontractor being deemed to transfer control of its performance obligation to the Company over time under IFRS 15.

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5 Contracts revenue

	2024	2023
Revenue from contracting services - <i>recorded over time</i>	3,202,561,361	3,281,410,840
Revenue from sale of building material - <i>recorded at point in time</i>	34,911,551	18,908,407
	3,237,472,912	3,300,319,247

The Company generated 10% or more of its contracts revenue from four customers which make up 78% (2023: three customers which make up 70%) of its revenues for the year ended 31 December 2024. The revenue for 2024 and 2023 is mainly from ministries and government backed projects: Neom. The revenue from such customers for the year ended 31 December 2024 (and revenue for such customers in 2023) is as follows:

	2024	2023
Customer A	1,319,327,728	1,036,300,729
Customer B	436,875,427	836,703,685
Customer C	392,228,002	403,176,488
Customer D	362,066,262	-

As a result of variation orders related to projects related to a major customer, the estimated project margin for such projects was reduced by 3%. However, the contracts remain profitable and there is no onerous contract position.

6 Contracts cost

	Note	2024	2023
Material Consumed		923,738,414	828,616,757
Subcontractors		556,440,082	539,026,029
Salaries, wages and benefits		180,737,560	160,234,490
Fines and government fees		55,171,737	42,691,575
Fuel		26,341,850	19,764,195
Depreciation of property and equipment	8	22,126,591	20,714,102
Bank charges		9,083,466	6,990,692
Rent short term leases		36,003,269	41,066,403
Transportation		20,504,611	34,274,503
Repair and maintenance		6,360,907	7,435,101
Utilities		3,486,149	3,662,303
Insurance		5,190,084	3,603,239
Others		3,855,044	3,939,318
Consultation and professional fees		4,428,713	240,147
Depreciation of Right-of-use assets	9	1,134,613	1,976,962
Research, laboratories and engineering plans		3,694,579	68,575,844
		1,858,297,669	1,782,811,660

7 General and administrative expenses

	Note	2024	2023
Salaries, wages and benefits		34,010,168	25,278,503
Consultation and professional fees		8,296,678	14,369,428
Fines and government fees		8,826,704	7,938,629
Bank charges		2,336,290	1,203,096
Insurance		1,599,881	1,052,937
Rent short term leases		2,022,704	1,744,562
Office supplies		560,411	548,972
Depreciation of property and equipment	8	1,232,876	1,000,000
Fuel		1,396,432	1,042,545
Utilities		450,899	926,273
Repair and maintenance		330,618	492,555
Transportation		48,533	136,500
Amortisation of intangible assets	10	448,194	405,501
Others		3,609,502	5,374,193
		65,169,890	61,513,694

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8 Property and equipment

	1 January 2024	Additions	Disposals	31 December 2024
2024				
Cost				
Land	99,653,416	-	-	99,653,416
Buildings	23,737,861	158,500	-	23,896,361
Equipment and machinery	205,211,806	11,008,803	(6,398,500)	209,822,109
Office equipment	7,441,750	-	-	7,441,750
Tools	17,199,744	651,345	-	17,851,089
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	13,979,754	944,243	-	14,923,997
Vehicles	141,468,894	16,569,086	(5,314,491)	152,723,489
Capital work-in-progress	678,000	-	-	678,000
	512,197,030	29,331,977	(11,712,991)	529,816,016
Accumulated depreciation				
Buildings	7,040,602	1,406,043	-	8,446,645
Equipment and machinery	146,451,694	8,414,868	(919,203)	153,947,359
Office equipment	6,073,350	404,729	-	6,478,079
Tools	14,998,951	1,137,864	-	16,136,815
Concrete barriers	2,581,973	73,963	-	2,655,936
Furniture and fixtures	11,351,436	1,491,341	-	12,842,777
Vehicles	93,912,102	10,430,659	(1,966,806)	102,375,955
	282,410,108	23,359,467	(2,886,009)	302,883,566
	229,786,922			226,932,450

Capital work-in-progress relates to the new management building under construction located in Riyadh which is expected to be completed in 2026.

	1 January 2023	Additions	Disposals	31 December 2023
2023				
Cost				
Land	94,682,166	4,971,250	-	99,653,416
Buildings	24,768,844	6,741,672	(7,772,655)	23,737,861
Equipment and machinery	199,510,442	13,327,216	(7,625,852)	205,211,806
Office equipment	6,620,050	821,700	-	7,441,750
Tools	15,091,742	2,170,082	(62,080)	17,199,744
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	12,046,464	1,942,590	(9,300)	13,979,754
Vehicles	125,612,968	24,155,841	(8,299,915)	141,468,894
Capital work-in-progress	-	678,000	-	678,000
	481,158,481	54,808,351	(23,769,802)	512,197,030
Accumulated depreciation				
Buildings	7,101,543	1,236,960	(1,297,901)	7,040,602
Equipment and machinery	140,592,847	8,191,923	(2,333,076)	146,451,694
Office equipment	5,760,484	312,866	-	6,073,350
Tools	14,344,658	685,210	(30,917)	14,998,951
Concrete barriers	2,307,097	274,876	-	2,581,973
Furniture and fixtures	10,357,748	996,013	(2,325)	11,351,436
Vehicles	91,749,424	10,016,254	(7,853,576)	93,912,102
	272,213,801	21,714,102	(11,517,795)	282,410,108
	208,944,680			229,786,922

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8 Property and equipment (continued)

Depreciation is calculated on a straight-line basis over the following useful lives of the assets:

	Number of years
• Buildings	7 - 33
• Equipment and machinery	15
• Office equipment	5
• Tools	3
• Concrete barriers	10
• Furniture and fixtures	3
• Vehicles	5-15

Depreciation is allocated between contract costs and General and administrative expenses as follows

Cost	2024	2023
Contract costs	22,126,591	20,714,102
General and administrative expenses	1,232,876	1,000,000

9 Right-of-use assets

	Accommodation buildings	Vehicles	Total
2024			
Cost			
At 1 January	4,510,481	7,038,973	11,549,454
Additions	338,803	-	338,803
Disposal	(4,510,481)	-	(4,510,481)
At 31 December	338,803	7,038,973	7,377,776
Accumulated depreciation			
At 1 January	4,310,243	1,822,374	6,132,617
Charge for the year	228,469	906,144	1,134,613
Disposal	(4,510,479)	-	(4,510,479)
At 31 December	28,233	2,728,518	2,756,751
	310,570	4,310,455	4,621,025
2023			
Cost			
At 1 January	4,510,481	5,011,236	9,521,717
Additions	-	2,027,737	2,027,737
At 31 December	4,510,481	7,038,973	11,549,454
Accumulated depreciation			
At 1 January	3,239,422	916,233	4,155,655
Charge for the year	1,070,821	906,141	1,976,962
At 31 December	4,310,243	1,822,374	6,132,617
	200,238	5,216,599	5,416,837

The Company has leases in respect of accommodation buildings and vehicles. Rental contracts are typically made for a fixed period of 2 to 5 years and considered an extension option where the Company's management is reasonably certain to exercise.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases and low value assets amounting to Saudi Riyals 38 million (2023: Saudi Riyals 42.8 million). The cashflow from short-term and low-value leases amounted to Saudi Riyals 38.3 million (2023: Saudi Riyals 42.8 million).

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10 Intangible assets

Software	2024	2023
Cost		
At 1 January	2,071,870	1,339,190
Additions	596,794	732,680
At 31 December	2,668,664	2,071,870
Accumulated amortisation:		
At 1 January	812,406	406,905
Amortisation	448,194	405,501
At 31 December	1,260,600	812,406
Net book value	1,408,064	1,259,464

11 Contract receivables

	As at 31 December 2024	As at 31 December 2023
Progress receivable	804,271,951	666,043,891
Retention receivable	242,901,856	114,348,822
	1,047,173,807	780,392,713
Less: ECL allowance	(48,477,278)	(22,249,104)
	998,696,529	758,143,609

- (a) The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables. Information about the impairment of contract receivables and the Company's exposure to credit risk can be found in note 23.

For the contract receivables, the ECL allowance as at 31 December 2024 and 2023 was determined as follows:

31 December 2024	Not due	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
Expected loss rate	1.59%	3.65%	7.26%	8.68%	14.41%	14.56%	
Gross carrying amount	118,641,730	385,101,956	63,561,260	109,807,009	79,836,498	47,323,498	804,271,951
ECL allowance	1,886,574	14,057,330	4,615,017	9,525,771	11,503,393	6,889,193	48,477,278
31 December 2023	Not due	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
Expected loss rate	1.48%	2.93%	5.06%	6.80%	9.76%	9.84%	
Gross carrying amount	345,114,370	171,514,165	52,607,996	1,745,320	31,207,110	63,854,930	666,043,891
ECL allowance	5,122,892	5,017,845	2,663,651	118,653	3,044,875	6,281,188	22,249,104

Movement in ECL allowance is as follows:

	2024	2023
At 1 January	22,249,104	85,862,676
Charge (reversal) for the year	34,781,100	(63,613,572)
Write off	(8,552,926)	-
At 31 December	48,477,278	22,249,104

- (b) The net carrying amounts of the Company's contract receivables are denominated in Saudi Riyals.

- (c) The Company does not hold any collateral as security.

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12 Contract assets and contract liabilities

12.1 Contract assets

	As at 31 December 2024	As at 31 December 2023
Cumulative value of work executed	11,653,228,576	8,963,590,268
Less: progress billings	<u>(9,672,386,910)</u>	<u>(7,474,448,571)</u>
	1,980,841,666	1,489,141,697
Less: Advances from customers	<u>(249,663,333)</u>	<u>(361,589,923)</u>
	1,731,178,333	1,127,551,774
Less: ECL allowance	<u>(27,528,224)</u>	<u>(15,602,854)</u>
	<u>1,703,650,109</u>	<u>1,111,948,920</u>

The gross balance of advances from customers as at 31 December 2024 amounted to Saudi Riyals 278.5 million (2023: Saudi Riyals 378.0 million), of which Saudi Riyals 249.7 million was netted off against contract assets as at 31 December 2024 (2023: 361.6 million). Contract balances are reported as net assets or liabilities at the contract level in accordance with IFRS 15. Advances against contracts where work has not yet commenced amounted to Saudi Riyals 28.8 million which are presented gross on the face of the statement of financial position.

Movement in contract assets and liabilities is as follows:

	2024	2023
Contract assets as at 1 January	1,127,551,774	584,550,181
Contract liabilities / advances from customer as at 1 January	<u>(16,393,765)</u>	<u>(201,369,567)</u>
Net balance as at 1 January	1,111,158,009	383,180,614
Revenue	3,202,561,361	3,151,085,893
Transfers to billings	<u>(2,582,541,037)</u>	<u>(2,406,714,733)</u>
Advances received during the year	<u>(28,836,832)</u>	<u>(16,393,765)</u>
Net balance as at 31 December	<u>1,702,341,501</u>	<u>1,111,158,009</u>

The net balance as at 31 December reported above comprise of:

Contract assets, before ECL allowance	1,731,178,333	1,127,551,774
Contract liabilities / advances from customer	<u>(28,836,832)</u>	<u>(16,393,765)</u>
	<u>1,702,341,501</u>	<u>1,111,158,009</u>

The increase in the contract assets balance is primarily attributed to contracts entered into with a particular customer in 2023. There are extended administrative processes involved in getting required approvals from the customer before the invoices can be raised and balances transferred from contract assets to contract receivables. However, with such projects nearing their completion as at 31 December 2024, the gap between revenue recorded against such projects and billings raised is narrowing down to an extent that the billings are going to exceed the revenue recorded for such projects. The management expects to bill and collect substantive portion from such contracts in 2025.

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables and contract assets. The Company has used an expected loss rate of 1.6% as at 31 December 2024 (31 December 2023: 1.4%). Information about the impairment of contract receivables and the company's exposure to credit risk can be found in note 23.

Movement in ECL allowance is as follows:

	2024	2023
At 1 January	15,602,854	25,432,234
Charge / (reversal) for the year	<u>11,925,370</u>	<u>(9,829,380)</u>
At 31 December	<u>27,528,224</u>	<u>15,602,854</u>

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13 Prepayments, advances and other receivables

	As at 31 December 2024	As at 31 December 2023
Advances to suppliers and subcontractors	201,217,300	69,043,550
Margins on bank guarantees and letter of credits	26,638,202	30,472,992
Other receivables	4,653,654	10,831,119
Advances to employees	462,227	978,194
	232,971,383	111,325,855

Information about the impairment of advances, other receivables and the company's exposure to credit risk can be found in note 23.

14 Cash and cash equivalents

	As at 31 December 2024	As at 31 December 2023
Cash at banks	72,692,023	120,442,450
Deposits at call	117,510,127	51,256,213
	190,202,150	171,698,663

Deposits at call as at 31 December 2024, represent deposits placed with a commercial bank, with original maturity period of less than three months and carry market rate of interest.

15 Share capital

The authorised, issued, and fully paid share capital of the Company as of 31 December 2024 consisted of 800,000,000 shares (2023: 30,000,000 shares) stated at Saudi Riyals 10 per share and owned as follows:

	As at 31 December 2024	As at 31 December 2023
Nationality		
Mutlaq Damouk Al-Ghowairi	52.50%	52.5%
Terad Damouk Al-Ghowairi	22.50%	22.5%
Moudi Ajmi Al-Otaibi	1.90%	1.9%
Reem Mohamed Al-Ghowairi	1.20%	1.2%
Asmaa Mohamed Al-Ghowairi	1.20%	1.2%
Shatha Mohamed Al-Ghowairi	1.20%	1.2%
Wafaa Mohamed Al-Ghowairi	1.20%	1.2%
Nouf Mohamed Al-Ghowairi	1.20%	1.2%
Nada Mohamed Al-Ghowairi	1.20%	1.2%
Abdulmajid Mohamed Al-Ghowairi	2.40%	2.4%
Abdulmohsen Mohamed Al-Ghowairi	2.40%	2.4%
Noura Mohamed Al-Ghowairi	1.20%	1.2%
Hind Mohamed Al-Ghowairi	1.20%	1.2%
Nayef Mohamed Al-Ghowairi	2.40%	2.4%
Abdullah Mohamed Al-Ghowairi	2.40%	2.4%
Mutlaq Mohamed Al-Ghowairi	4.20%	4.2%
	100%	100%

The Company's Extra-Ordinary General Assembly in its meeting held on 28 January 2024, approved a share split into ten shares, so that the nominal value of the share becomes one Saudi Riyal, and amending the By-laws and shareholder register accordingly.

During the period, the Company's shareholders passed the resolution to increase the share capital of the Company by Saudi Riyals 500.0 million through the conversion of amounts from retained earnings, resulting in total share capital of Saudi Riyals 800.0 million comprising of 800,000,000 shares. Legal formalities relating to such increase in share capital were completed during the period.

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16 Statutory reserve

In accordance with its By-laws, before it was amended as explained in the following paragraph, the Company was required to transfer 10% of its annual net income to a statutory reserve and the Ordinary General Assembly may decide to discontinue setting aside such percentage if the reserve reaches at least 30% of paid-in capital.

The Company's Extra Ordinary General Assembly meeting held on 16 November 2023 approved certain amendments to its By-laws to comply with the new applicable Companies' Law, including elimination of the requirement of the aforementioned transfer to a statutory reserve and decided to discontinue setting aside further amounts. This reserve was not available for distribution to the shareholders of the Company.

17 Lease liabilities

	Accommodation buildings		Vehicles	
	2024	2023	2024	2023
At 1 January	94,057	918,633	1,095,466	2,069,700
Additions	338,803	-	-	2,027,737
Finance cost	3,403	28,524	98,738	289,868
Payments	(183,264)	(853,100)	(1,194,204)	(3,291,839)
At 31 December	252,999	94,057	-	1,095,466

The lease liabilities are presented as follows in the accompanying statement of financial position:

	As at 31 December 2024	As at 31 December 2023
Current	252,999	1,189,523

18 Employee benefit obligations

18.1 General description of the plan

The Company operates a defined benefit plan in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The employee benefit obligations payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Law of Saudi Arabia. Employees benefit obligations plans are unfunded plans, and the benefit payment obligations are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the Projected Unit Credit Method was carried out by an independent actuary as of 31 December 2024.

	2024	2023
At 1 January	39,019,619	33,698,885
Current service cost and interest cost	9,635,494	8,491,318
Payments	(3,280,632)	(2,632,006)
Gain on remeasurements of employee benefit obligations	(2,243,189)	(538,578)
At 31 December	43,131,292	39,019,619

18.2 Amounts recognised in the statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	2024	2023
Current service cost	7,859,977	7,115,020
Interest expense	1,775,517	1,376,298
Total amount recognised in profit or loss	9,635,494	8,491,318
<u>Re-measurements</u>		
Gain from change in financial assumptions	(1,984,241)	(1,224,566)
Experience (gain) / loss	(258,948)	685,988
Total amount recognised in other comprehensive income	(2,243,189)	(538,578)

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18 Employee benefit obligations (continued)

18.3 Key actuarial assumptions

	2024	2023
Discount rate	5.5%	4.8%
Salary growth rate	5.5%	5.5%

18.4 Sensitivity analysis for actuarial assumptions

2024	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	40,749,147	45,818,877
Salary growth rate	1%	1%	45,988,879	40,553,980

2023	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	36,785,603	41,548,868
Salary growth rate	1%	1%	41,691,314	36,615,462

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of employee benefit obligations calculated with Projected Unit Credit Method at the end of the reporting period) has been applied when calculating the employee benefit obligation.

The weighted average duration of the defined benefit obligation is 6 years (2023: 6.5 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 Years	Between 2 - 5 Years	Over 5 Years	Total
31 December 2024	11,112,494	5,930,504	22,040,307	183,101,918	222,185,223
31 December 2023	9,835,919	5,708,080	18,287,456	148,643,743	182,475,198

19 Trade payables

	As at 31 December 2024	As at 31 December 2023
Commercial suppliers	95,784,417	133,756,114
Subcontractors	95,784,174	79,052,852
	191,568,591	212,808,966

Also refer to note 22 for trade payable balances related to related parties.

20 Accrued expenses and other payables

	As at 31 December 2024	As at 31 December 2023
Value Added Tax payable	137,482,517	61,991,506
Accrued expenses	213,444,901	106,479,563
Other credit balances	493,745	8,747,112
	351,421,163	177,218,181

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21 Zakat

21.1 Status of certificates and final assessments

The Company filed its zakat returns and obtained zakat certificates for all the years up to 2023. The company received zakat assessments for all years up to 2018 and settled all related dues with ZATCA. Management have made an additional accrual related to zakat to cover for any additional assessments in the coming years.

21.2 Calculation of adjusted net income

	2024	2023
Profit for the year	1,279,756,817	1,534,413,328
Impairment of financial assets	1,304,585	216,615
Adjustments recognised in the period for current tax of prior periods	(3,528,762)	-
Employee benefit obligations	-	8,491,318
Adjusted profit for the year	1,277,532,640	1,543,121,261

21.3 Approximate zakat base

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

	2024	2023
Additions:		
- Share capital	800,000,000	300,000,000
- Statutory reserve	300,000	300,000
- Retained earnings	1,850,818,164	1,539,127,503
- Provisions	142,272,592	114,611,797
- Lease liabilities	252,999	1,189,523
- Other liabilities	22,960,007	68,828,065
Total additions	2,816,603,762	2,024,056,888
Deductions:		
- Property, plant and equipment	226,932,450	229,786,922
- Right-of-use assets	4,621,025	5,416,837
- Intangible assets	1,408,064	1,259,464
Total deductions	232,961,539	236,463,223
Zakat base	2,583,642,223	1,787,593,665
Adjusted zakat base (365 days)	2,671,223,315	1,848,190,060
Share of Saudi shareholder in the adjusted zakat base at 100%	2,671,223,315	1,848,190,060
Estimated zakat liability	66,780,583	46,204,752

Zakat is calculated at 2.5% of adjusted zakat base attributable to the Saudi shareholder.

21.4 The movement in the zakat payable during the years ended December 31, 2024, and 2023 is as follows:

	2024	2023
At 1 January	74,125,737	59,611,637
Charge for the year	66,780,583	46,204,752
Adjustments recognised in the period for current tax of prior periods	3,528,762	-
Payments	(45,293,782)	(31,690,652)
At 31 December	99,141,300	74,125,737

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22 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the significant influence of the Company's shareholders), and key management personnel. Related parties also include business entities in which shareholders, certain directors or senior management have an interest.

(a) Following are the significant transactions entered into by the Company with related parties during the years ended 31 December 2024 and 2023:

Related party name	Relationship	Nature of transactions	Year ended 31 December	
			2024	2023
Badr Mutlaq Al Otaibi Foundation for construction	Entity under common control	Construction work services	-	(2,879,860)
Al Khotoot Al Naqilah Company	Entity under common control	Construction work services	(95,617,302)	(116,979,534)
Al Ghowairi Al Watania Company	Entity under common control	Construction work services	(76,352,933)	(38,565,426)
Mohamed Damook Mutlaq Al Ghowairi Heirs	Shareholders	Dividends Paid	100,000,000	150,000,000
		IPO expenses	516,706	-
		Settlements	-	74,455,077
		Fund transfer	-	(12,500,000)
Mutlaq Damook Mutlaq Al Ghowairi	Chairman of Board of Directors	Dividends Paid in cash	206,457,020	315,000,000
		Dividends settled against due from balance	3,542,980	-
		Settlements	-	176,535,214
		Fund transfer	-	(26,250,000)
		IPO expenses	12,917,653	-
Torad Damook Mutlaq Al Ghowairi	Deputy Chairman of the Board	Dividends Paid	90,000,000	135,000,000
		Settlements	2,583,531	73,517,375

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22 Related party transactions and balances (continued)

(b) Key management personnel compensation

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company. The below disclosed amounts include Board of Directors' remuneration. The compensation to key management is shown below:

	Year ended 31 December	
	2024	2023
Salaries and other short-term employee benefits	14,905,277	11,507,577
Employee benefit obligations	686,044	471,248
	15,591,321	11,978,825

(c) Related party balances

(i) Due from related parties

	As at 31 December 2024	As at 31 December 2023
<u>Entities under common control</u>		
Edarat Al Asl Company Limited	-	270,224
<u>Other related parties</u>		
Mutlaq Damook Mutlaq Al Ghowairi	12,917,653	-
Torad Damook Mutlaq Al Ghowairi	2,583,531	-
Mutlaq Mohamed	516,706	-
	16,017,890	270,224

(ii) Due to related parties

	As at 31 December 2024	As at 31 December 2023
<u>Associated companies</u>		
Al Khotoot AL Naqilah Company*	4,508,542	19,136,361
Al Ghowairi Al Watania Company*	4,477,017	9,397,503
Badr Mutlaq Al Otiabi Foundation for Construction*	-	32,200
<u>Other related parties</u>		
Mutlaq Damook Mutlaq Al Ghowairi	-	154,856
Harsskom Co.	43,700	-
Torad Damook Mutlaq Al Ghowairi	-	217,000
Omar Begad Hazly al Dalbahi	-	154,856
Saleh Mohamed al Johaiman	-	154,856
Ibrahim Bin Ali Al Mohsen	-	157,356
Imad Obaid Al Otabi	-	104,856
Mutlaq Mohamed	-	157,356
	9,029,259	29,667,200

* Such balances primarily represent payable balances which are trading in nature for construction services received.

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23 Financial risk management

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Director.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals. Foreign currency exposure for the Company is limited.

(ii) Fair value and cash flow interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk, as it has deposits with commercial banks which earn financial income on prevailing market rates. However, for 2024 and 2023, the effect on profit or loss due to change in the market interest rates is not material.

(iii) Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(b) Credit risk

The risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily contract receivables, contract assets including due from related parties' balances and other current financial assets) and on bank balances.

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23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(b) Credit risk (continued)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties. As at 31 December, the maximum exposure to credit risks was as follows:

	As at 31 December 2024	As at 31 December 2023
Contract receivables	998,696,529	758,143,609
Contract assets	1,703,650,109	1,111,948,920
Due from related parties	16,017,890	270,224
Margins on bank guarantees, letter of credits, advances to employees and other receivables	31,754,083	42,282,305
Cash and cash equivalents	190,202,150	171,698,663
	2,940,320,761	2,084,343,721

Credit risk on contract receivables and contract assets is managed subject to the Company's established policy, procedures and control defined to mitigate the credit risk. Contract receivables of the Company comprised primarily of balances due from customers for contracting services rendered by the Company. The Company seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The credit terms are extended to customers where the Company does not expect any inability to pay.

Simplified approach for estimating ECL:

The Company establishes ECL allowance that represents its estimate of potential losses in respect of contract receivables and contract assets. The main components of this loss is the collective expeted loss component for similar assets determined in accordance with the requirements of IFRS 9. The collective loss allowance is determined based on historical data of recovery statistics for similar financial assets.

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. At 31 December 2024, 72.3% of accounts receivables and contract assets were due from four customers (2023: 87% from four customers). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments and and due to the nature of the customers overdue balances are routinely collected.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

Balances due from related parties are considered low-risk due to the nature of relationship. Also, ECL on balances due from related parties and other financial assets such as other receivables and cash at banks is considered immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2024					
Lease liabilities	252,999	-	-	-	252,999
Trade payables	191,568,591	-	-	-	191,568,591
Due to related parties	9,029,259	-	-	-	9,029,259
Accrued expenses and other liabilities	213,938,646	-	-	-	213,938,646
	414,789,495	-	-	-	414,789,495
	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2023					
Lease liabilities	1,319,204	-	-	-	1,319,204
Trade payables	212,808,966	-	-	-	212,808,966
Due to related parties	29,667,200	-	-	-	29,667,200
Accrued expenses and other liabilities	177,218,181	-	-	-	177,218,181
	421,013,551	-	-	-	421,013,551

As explained in note 23.2 below, the Company has a very strong liquidity position. While all of the liabilities in the table above are current, the Company's current assets exceed current liabilities by more than four times. In addition, the Company is in a net funds position meaning that it has enough cash on hand to repay all of its borrowings and lease liabilities immediately.

23.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company's Board of Directors oversees the capital risk management. Until 2022, the Company was monitoring capital risk based on gearing ratio. During 2023, the Company repaid a significant portion of the balances due to shareholders which were received to support the Company, leading to the Company now mainly being financed through equity and having a net-funds position at 31 December 2024. Further, the Company has no external borrowings other than a minor amount of leases and demand liabilities due to shareholders. Accordingly, the Company stopped using the gearing ratio to monitor capital risk. The shareholders of the Company monitor the funding requirements and provide funding as and when needed. The strong capital position of the Company was further enhanced by the decision of the shareholders to increase the share capital of the Company by transferring funds from retained earnings. The Board of the Company will continue to assess the funding requirements of the Company and seek additional funding as and when needed.

For the purpose of the Company's capital risk management, capital includes issued capital, and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

	2024	2023
Lease liabilities	252,999	1,189,523
Due to related parties	9,029,259	29,667,200
Less: cash and cash equivalents	(190,202,150)	(171,698,663)
Net (funds) debt	(180,919,892)	(140,841,940)
Total equity	2,651,118,164	1,839,427,503
Gearing ratio (if applicable)	-	-

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

23 Financial risk management (continued)

23.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

As at 31 December 2024 and 2023 the carrying value of financial assets and liabilities approximate their fair values due to their short term nature.

24 Financial instruments

(a) Categories of financial instruments

The Company's financial instruments were classified into the following measurement categories:

	At amortised cost	
	As at 31 December 2024	As at 31 December 2023
Assets as per statement of financial position		
Contract receivables	998,696,529	758,143,609
Due from related parties	16,017,890	270,224
Margins on bank guarantees, letter of credits, advances to employees and other receivables	31,754,083	42,282,305
Cash and cash equivalents	190,202,150	171,698,663
Total	1,236,670,652	972,394,801
Liabilities as per statement of financial position		
Trade payables	191,568,591	212,808,966
Accrued expenses and other liabilities	351,421,163	177,218,181
Due to related parties	9,029,259	29,667,200
Total	552,019,013	419,694,347

(b) Credit quality of financial assets

As per the credit policy of the Company, customers are extended a credit period of up to 60 days in the normal course of business related to progress billings. The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Company operates.

The following table shows the aging for contract receivable balances where no external credit ratings is available:

Trade receivable - Counterparties without external credit rating

	As at 31 December 2024	As at 31 December 2023
0 - 90 days	730,701,638	620,836,620
Due over 90 days	267,994,891	137,306,989
	998,696,529	758,143,609

Cash at bank

For banks, parties generally with a minimum rating of P-2 are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. As at 31 December 2024 and 2023, the Company held balances with banks that had a rating of P-1 with amount of Saudi Riyals 190 million (2023: Saudi Riyals 134 million) and P-2 with amount of Saudi Riyals 134 million (2023: Saudi Riyals 37.6 million) as per Moody's Investor Service. Accordingly, the management does not expect any losses from non-performance by these counterparties.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2024
 (All amounts in Saudi Riyals unless otherwise stated)

25 Dividends

On 23 Ramadan 1445H (corresponding to 2 April 2024), the shareholders of the Company in their Extraordinary General Assembly Meeting approved dividends of Saudi Riyals 100.0 million (equivalent to Saudi Riyals 0.13 per share), which were settled during April 2024.

Additionally, on 7 Dhul Hijjah 1445H, (corresponding to 13 June 2024), and 16 Safar 1446H, (corresponding to 20 August 2024), the Board of Directors of the Company as per its resolution No (2024-07) and (2024-8), approved dividends of Saudi Riyals 100.0 million and Saudi Riyals 100.0 million consecutively (equivalent to Saudi Riyals 0.13 per share), which were settled during June and August 2024.

Further On 08 JAl-Awwal 1446H (corresponding to 09 December 2024), the Board of directors approved dividends of Saudi Riyals 100.0 million.

Such approval by the Board of Directors was in accordance with the authorization issued by the Extraordinary General Assemblies held on 2 Jumada Al-Awwal 1445H (corresponding to 16 November 2023) 5 Jumada Al-Awwal 1446H (corresponding to 7 November 2024) to the Board of Directors to distribute interim dividends to shareholders on a quarterly basis.

26 Bank guarantees and letters of credit

At 31 December 2024, the Company had bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 3,463 million (2023: Saudi Riyals 2,413 million).

27 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

The following table reflects the income for the period attributable to ordinary equity holders and weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

	2024	2023
Profit attributable to the shareholders of the Company	1,211,690,661	1,488,747,154
Weighted average number of ordinary shares for basic and diluted earnings per share	800,000,000	800,000,000
	1.51	1.86

As stated in note 15, the Company increased its shares from 300,000,000 shares to 800,000,000 shares in 2024. Accordingly, the calculation for basic and diluted earnings per share is based on 800,000,000 shares. The earnings per share for 2023 are restated for the effect of bonus issue and shares split in accordance with the requirements of IAS33.

28 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

The Company's operations are related to one operating segment which is contracting services. The Company's operations are conducted in the Kingdom of Saudi Arabia and information related to revenue from major customers is disclosed in note 5.

29 Subsequent events

On 29 Rajab 1446H (corresponding to 29 January 2025), the shareholders of the Company in their General Assembly Meeting approved dividends of Saudi Riyals 100.0 million (equivalent to Saudi Riyals 0.13 per share), which were settled on 30 January 2025.

30 Approval of the financial statements

The financial statements of the Company for the year ended 31 December 2024 were authorised for issuance by the Board of Directors on 29 March 2025.

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT**

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Financial Statements
For the Year Ended 31 December 2025

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Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mutlaq Al-Ghowairi Contracting Company (the "Company") as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further *described in the Auditor's responsibilities for the audit of the financial statements section of our report.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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postal code 12329 Riyadh, Kingdom of Saudi Arabia



Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company (continued)

Responsibilities of management and those charged with governance for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Independent auditor's report to the shareholders of Mutlaq Al-Ghowairi Contracting Company (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368



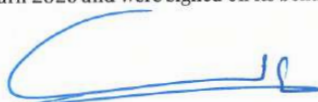
9 March 2026

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of profit or loss and other comprehensive income
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Contracts revenue	5	3,569,896,701	3,237,472,912
Contracts cost	6	(2,614,709,277)	(1,858,297,669)
Gross profit		955,187,424	1,379,175,243
General and administrative expenses	7	(99,879,535)	(65,169,890)
Reversal / (charge) on impairment of financial assets	11, 12	22,933,041	(46,706,470)
Other operating income		4,896,823	9,639,717
Operating profit		883,137,753	1,276,938,600
Finance costs	17, 18	(2,329,374)	(1,877,658)
Finance income		3,792,353	4,695,875
Profit before zakat		884,600,732	1,279,756,817
Zakat expense	21	(65,616,314)	(70,309,345)
Profit for the year		818,984,418	1,209,447,472
Other comprehensive (loss) / income			
<i>Items that will not be reclassified to profit or loss</i>			
(Loss) / gain on remeasurement of employee benefit obligations	18	(561,216)	2,243,189
Total comprehensive income for the year		818,423,202	1,211,690,661
Earnings per share			
Basic and diluted	27	1.02	1.51

The accompanying notes from 1 to 30 are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 9 Marh 2026 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer



Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of financial position
 (All amounts in Saudi Riyals unless otherwise stated)

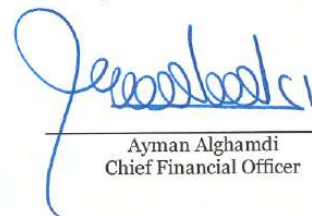
	Note	As at 31 December	
		2025	2024
Assets			
Non-current assets			
Property and equipment	8	300,469,646	226,932,450
Right-of-use assets	9	1,934,414	4,621,025
Intangible assets	10	972,625	1,408,064
Total non-current assets		303,376,685	232,961,539
Current assets			
Contract receivables	11	1,279,854,295	998,696,529
Contract assets	12	1,402,355,126	1,703,650,109
Due from related parties	22	8,622,144	16,017,890
Prepayments, advances and other receivables	13	273,461,937	232,971,383
Cash and cash equivalents	14	779,513,436	190,202,150
Total current assets		3,743,806,938	3,141,538,061
Total assets		4,047,183,623	3,374,499,600
Equity and liabilities			
Equity			
Share capital	15	800,000,000	800,000,000
Other reserve	16	300,000	300,000
Retained earnings		1,869,241,366	1,850,818,164
Total equity		2,669,541,366	2,651,118,164
Liabilities			
Non-current liabilities			
Employee benefit obligations	18	54,074,577	43,131,292
Lease liabilities	17	175,323	-
Total non-current liabilities		54,249,900	43,131,292
Current liabilities			
Trade payables	19	407,077,348	191,568,591
Contract liabilities	12	197,240,343	28,836,832
Due to related parties	22	41,406,462	9,029,259
Accrued expenses and other payables	20	579,604,728	351,421,163
Lease liabilities	17	86,445	252,999
Zakat provision	21	97,977,031	99,141,300
Total current liabilities		1,323,392,357	680,250,144
Total liabilities		1,377,642,257	723,381,436
Total equity and liabilities		4,047,183,623	3,374,499,600

The accompanying notes from 1 to 30 are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 9 Marh 2026 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
 Chief Executive Officer



Ayman Alghamdi
 Chief Financial Officer

Mudraq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of changes in equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Other reserve	Retained earnings	Total
At 1 January 2024		300,000,000	300,000	1,539,127,503	1,839,427,503
Profit for the year		-	-	1,209,447,472	1,209,447,472
Other comprehensive income for the year		-	-	2,243,189	2,243,189
Total comprehensive income for the year		-	-	1,211,690,661	1,211,690,661
Dividends	25	-	-	(400,000,000)	(400,000,000)
Share capital increase	15	500,000,000	-	(500,000,000)	-
At 31 December 2024		800,000,000	300,000	1,850,818,164	2,651,118,164
Profit for the year		-	-	818,984,418	818,984,418
Other comprehensive loss for the year		-	-	(561,216)	(561,216)
Total comprehensive income for the year		-	-	818,423,202	818,423,202
Dividends	25	-	-	(800,000,000)	(800,000,000)
At 31 December 2025		800,000,000	300,000	1,869,241,366	2,669,541,366

The accompanying notes from 1 to 30 are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 9 March 2026 and were signed on its behalf by:


 Omar bin Bijad Al-Dalbhy
 Chief Executive Officer


 Ayman Alghamdi
 Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Statement of cash flows
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Cash flows from operating activities			
Profit before zakat		884,600,732	1,279,756,817
<u>Adjustments for non-cash items</u>			
Depreciation of property and equipment	8	27,253,567	23,359,467
Depreciation of right-of-use assets	9	861,120	1,134,613
Amortisation of intangible assets	10	435,439	448,194
Gain on disposal of property and equipment		(3,290,278)	(3,172,383)
(Reversal) / charge on impairment of financial assets	11, 12	(22,933,041)	46,706,470
Employee benefit obligations	18	10,411,441	7,859,977
Finance cost	17, 18	2,329,374	1,877,658
<u>Changes in operating assets and liabilities:</u>			
Contract receivables		(271,096,340)	(275,334,020)
Contract assets		314,166,598	(603,626,559)
Due from related parties		7,395,746	(19,290,646)
Prepayments, advances and other receivables		(40,490,554)	(121,645,528)
Trade payables		215,508,757	(21,240,375)
Contract liabilities		168,403,511	12,443,067
Due to related parties		31,807,885	(20,637,941)
Accrued expenses and other payables		228,183,565	174,202,982
Cash generated from operations		1,553,547,522	482,841,793
Employee benefit obligations paid	18	(2,337,317)	(3,280,632)
Zakat paid	21	(66,780,583)	(45,293,782)
Net cash inflow from operating activities		1,484,429,622	434,267,379
Cash flows from investing activities			
Purchase of property and equipment	8	(102,097,035)	(29,331,977)
Proceeds from sale of property and equipment		7,333,473	11,999,365
Purchase of intangible assets	10	-	(596,794)
Net cash outflow from investing activities		(94,763,562)	(17,929,406)
Cash flows from financing activities			
Dividend paid	25	(800,000,000)	(396,457,020)
Payment of principal elements of lease payments	17	(333,345)	(1,275,325)
Payment of finance cost elements of lease payments	17	(21,429)	(102,141)
Net cash outflow from financing activities		(800,354,774)	(397,834,486)
Net increase in cash and cash equivalents		589,311,286	18,503,487
Cash and cash equivalents at beginning of year	14	190,202,150	171,698,663
Cash and cash equivalents at end of year	14	779,513,436	190,202,150
Significant non- cash transactions			
Additions to right-of-use assets and lease liabilities	9, 17	342,114	338,803
Transfer of right-of-use asset to owned property, plant and equipment upon lease purchase option exercise	9	(2,167,605)	-
Purchase of property and equipment made by the shareholders on behalf of the company		569,318	-
Dividends adjusted against due from related parties	22	-	3,542,980
Increase in share capital through transfer from related earnings	15	-	500,000,000

The accompanying notes from 1 to 30 are an integral part of these financial statements.

These financial statements including notes were approved and authorised for issue by the Board of Directors on 9 Marh 2026 and were signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2025
 (All amounts in Saudi Riyals unless otherwise stated)

1 General information

Mutlaq Al-Ghowairi Contracting Company (the "Company") is engaged in general contracting and installation of buildings, road construction, and traffic safety means, along with the maintenance, operation, and implementation of water and sanitation works, mechanical works, telephone works, garden and park construction, operation, and maintenance, road maintenance, dam works, connecting telephone and electricity networks, bridge works, rainwater drainage, and the construction and management of hospitals and health centers and clinics.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

The accompanying financial statements include the financial results of the Company registered in Riyadh. The table below shows the commercial records of the Company's branches:

CR No	Date	Registered City
1010400529	5 Rabi Al-Awwal 1435H (corresponding to 6 January 2014)	Riyadh
1010672967	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh
1010944298	17 Rabi Al-Akhar 1445H (corresponding to 1 November 2023)	Riyadh
1010672956	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh

On 1 October 2025, the Board of Directors resolved to close several commercial records. The table below shows the commercial records of the Company's branches that have been closed:

CR No	Date	Registered City
1010672967	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh
1010944298	17 Rabi Al-Akhar 1445H (corresponding to 1 November 2023)	Riyadh
1010672956	25 Rabi Al-Akhar 1442H (corresponding to 10 December 2020)	Riyadh

2 Basis of preparation

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia ("IFRS"), and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.1.1 Historical cost convention and going concern

These financial statements are prepared on the going concern basis under the historical cost convention except for employee benefit obligations as explained in the relevant accounting policy.

2.1.2 New and amended standards adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period. The Company has adopted the following relevant amendments to IFRS which are effective for period beginning on and after 1 January 2025, and have no impact on the Company:

Amendments to IAS 21 Lack of Exchangeability : An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. These amendments do not have a material impact on the Company's financial statements.

2.1.3 Standards and interpretations issued but not yet effective and not applied by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Company. The standards, interpretations and amendments issued, but are not yet effective are disclosed below.

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2 Basis of preparation (continued)

2.1 Statement of compliance (continued)

2.1.3 Standards and interpretations issued but not yet effective and not applied by the Company (continued)

Title	Key requirements	Effective date
IFRS 18 - Presentation and Disclosure in Financial Statements	In April 2024 the IASB issued a new International Financial Reporting Standard to improve reporting of financial performance.	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 was issued in May 2024 and specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	The amendment clarifies the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarifies and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, and adds new disclosures for certain instruments with contractual terms that can change cash flows and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income.	1 January 2026

The Company has not early adopted the above amendments and the Company's management is currently assessing the impact of these amendments.

3 Summary of material accounting policies

The material accounting policies applied for the preparation of financial statements of the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2 Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

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3 Summary of material accounting policies (continued)

3.1 Revenue (continued)

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs or;
- The entity performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods.

Contracts revenue

The Company is engaged in the construction and maintenance of roads, installation of water pipelines between cities, and construction of water tanks and related civil works. In all of its contracts the Company has performance obligations to perform construction services. Contract revenue satisfies criteria for over time revenue recognition.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company has concluded that for all of its arrangements, it is either creating or enhancing an asset controlled by the customer or it is creating an asset with no alternative use and has an enforceable right to payment for work completed. Therefore, it meets the criteria to recognize revenue overtime.

The Company has primarily fixed price contracts. Revenue from fixed price contracts is recognised based on the percentage of completion method, which is determined using the proportion of costs incurred to date to the total costs for the completion of the contracts as estimated by the management. No profit is recognised on contract until the management believes the outcome of that contract can be assessed with reasonable certainty. In case of loss-making contract, full provision is made for estimated future losses.

The Company acts as a principal and the revenue is recognized on gross basis.

Given the nature of the business activity, contracts are often modified while in progress due to changes in the scope of the work that needs to be carried out under the terms of the contract. A change may lead to an increase or a decrease in contract revenue. Changes are recognized as increases in the value of the contract when the customer approves the change in scope and the resulting price increase. If the scope of the work has been approved but its valuation is outstanding, the revenue to be recognized is estimated, provided the revenue is highly likely not to undergo a significant reversal in the future. When it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognized immediately.

The customer pays the consideration based on a payment schedule. Revenue recognised in excess of billings on uncompleted contracts is included in current assets as contract assets and billings in excess of revenue are included in current liabilities as contract liabilities. Contract assets are subject to impairment assessment under IFRS 9. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

When the progress towards satisfaction of a performance obligation cannot be estimated reliably, but the costs incurred in satisfying the performance obligation are expected to be recovered, revenue is recognized only to the extent of costs incurred until such time that it can reasonably measure the stage of completion of the performance obligation.

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3 Summary of material accounting policies (continued)

3.2 Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs its obligations by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

When the Company satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. For impairment assessment of contract assets refer to note 3.10.

(b) Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). For impairment assessment of contract receivables refer to note 3.10.

(c) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. Where the amount billed to the customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

(d) Retention receivable

Retention receivable represents a portion of billings retained by the customers as per contractual terms and these are recoverable either upon completion of certain milestones or at the end of the contractual term.

3.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates the ("functional currency"). The financial statements are presented in "Saudi Riyal", which is also the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

3.4 Zakat and taxes

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority (ZATCA). Zakat for the Company is calculated based on higher of approximate zakat base and adjusted profit charged to the profit or loss. Additional amounts, if any, are accounted for when determined to be required for payment.

Value added tax: Revenues, expenses and assets are recognized net of the amount of value added tax ("VAT"), except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to ZATCA is included as part of receivables or payables in the statement of financial position.

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3 Summary of material accounting policies (continued)

3.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment so as to allocate its cost, less estimated residual value, on a straight line basis. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss. Major spare parts qualify for recognition as property and equipment when the Company expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in-progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

3.6 Leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. The Company recognises a right-of-use asset ("RoU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

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3 Summary of material accounting policies (continued)

3.6 Leases (continued)

Lease liabilities (continued)

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;

the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets (RoU)

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets". The costs are included in the related RoU asset unless those costs are incurred to produce inventories.

RoU assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If the lessor transfers the ownership of the underlying asset to the lessee or the cost of the RoU asset reflects that the Company expects to exercise a purchase option, the related RoU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The RoU assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 "Impairment of Assets" to determine whether a RoU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the RoU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

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3 Summary of material accounting policies (continued)

3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value. Intangible assets under development are stated at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis, over the estimated useful lives of 4 years.

3.8 Financial instruments

3.8.1 Financial asset

(i) Classification

The Company's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

(ii) Recognition and derecognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

Subsequent measurement of Company's financial assets are at amortised cost. Interest income from financial assets is measured and included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

3.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

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3 Summary of material accounting policies (continued)

3.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or Cash-Generating Units ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3.10 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For contract receivables and contract assets, the Company applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. The amount of the loss is charged to the profit or loss.

The loss rates are based on probability of default based on historical trends relating to collections of Company's contract receivables. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified gross domestic product for the Kingdom of Saudi Arabia, inflation rate and governmental expenditure as the most relevant factors, and accordingly, adjusts the loss rates based on such expected changes.

Contract receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant decrease in credit worthiness of the customer, the failure of the customer to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due for contract receivables and contract assets.

The Company calculates expected credit loss for financial assets other than contract assets and contract receivables using general approach as per IFRS9.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

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3 Summary of material accounting policies (continued)

3.13 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

3.14 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.15 Employee benefit obligations

The Company operates a single employment benefit scheme of defined benefit plan driven by the Labour Laws of Saudi Arabia which is based on the most recent salary and number of service years.

The employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the Projected Unit Credit Method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in the profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the Labour Law of Saudi Arabia.

3.16 Dividends distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS that are endorsed in the kingdom of Saudi Arabia requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

(a) Estimates related to contract costs

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include, among other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete the project may affect the results of the subsequent periods.

A 1% increase in estimated cost to complete would result in a decrease in contract margin of SAR 20.0 million, while a 1% decrease in estimated cost to complete would result in an increase in contract margin of SAR 20.2 million.

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4 Critical accounting estimates and judgments (continued)

(b) ECL allowance

Measurement of ECL is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 23. The following components have a major impact on credit loss allowance: definition of default, probability of default, exposure at default, and loss given default, as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

(c) Stage of completion and use of subcontractors

In some contracts that represent a single performance obligation with revenue recognised over time, the Company engages subcontractors to manufacture significant components off-site. In cases where the Company is significantly involved in the design of these components and closely oversees the manufacturing process of the supplier, the progress of the subcontractor may advance the Company's stage of completion of its performance obligation to its customer. Revenue and costs are recognised by the Company as the subcontractor performs its work provided that (i) the components do not meet the definition of uninstalled materials, and (ii) that the contract with the subcontractor results in the subcontractor being deemed to transfer control of its performance obligation to the Company over time under IFRS 15.

5 Contracts revenue

	2025	2024
Revenue from contracting services - recorded over time	3,507,587,530	3,202,561,361
Revenue from sale of building material - recorded at point in time	62,309,171	34,911,551
	3,569,896,701	3,237,472,912

The Company generated 10% or more of its contracts revenue from five customers which make up 76.2% of its revenues for the year ended 31 December 2025 (2024: four customers which make up 78.4%). The revenue for 2025 and 2024 is mainly from ministries and government backed projects. The revenue from five customers for the year ended 31 December 2025 (and corresponding revenue for such customers only in 2024) is as follows:

	31 December 2025		31 December 2024	
	Saudi Riyals	Percentage	Saudi Riyals	Percentage
Customer A	1,133,377,392	32.3%	-	-
Customer B	409,083,853	11.7%	181,226,452	5.7%
Customer C	394,811,409	11.3%	392,228,002	12.2%
Customer D	372,684,803	10.6%	71,914,684	2.2%
Customer E	363,376,750	10.4%	362,066,262	11.3%
Customer F	345,699,921	9.9%	436,875,427	13.6%
Customer G	93,538,273	2.7%	1,319,327,728	41.2%

6 Contracts cost

	Note	2025	2024
Material Consumed		1,279,036,064	923,738,414
Subcontractors		788,084,446	556,440,082
Salaries, wages and benefits		201,268,176	180,737,560
Consultation and professional fees		75,153,085	4,428,713
Fines and government fees		47,034,055	55,171,737
Rent short term leases		46,301,318	36,003,269
Bank charges		45,349,709	9,083,466
Fuel		42,121,726	26,341,850
Transportation		33,588,950	20,504,611
Depreciation of property and equipment	8	27,024,400	22,126,591
Utilities		12,553,978	3,486,149
Insurance		6,009,923	5,190,084
Hospitality and buffet		3,199,459	2,297,036
Repair and maintenance		2,964,519	6,360,907
Research, laboratories and engineering plans		1,988,257	3,694,579
IT costs		1,576,245	1,131,658
Depreciation of Right-of-use assets	9	861,120	1,134,613
Others		593,847	426,350
		2,614,709,277	1,858,297,669

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7 General and administrative expenses

	Note	2025	2024
Salaries, wages and benefits		59,340,151	34,010,168
Consultation and professional fees		21,923,880	8,296,678
Fines and government fees		6,054,223	8,826,704
Fuel		2,337,739	1,396,432
Transportation		1,952,610	48,533
Insurance		1,849,551	1,599,881
Repair and maintenance		1,347,998	330,618
Bank charges		910,009	2,336,290
Utilities		840,081	450,899
Rent short term leases		684,904	2,022,704
Amortisation of intangible assets	10	273,339	448,194
Office supplies		243,826	560,411
Depreciation of property and equipment	8	229,167	1,232,876
Others		1,892,057	3,609,502
		99,879,535	65,169,890

8 Property and equipment

	1 January 2025	Additions	Disposals	31 December 2025
2025				
Cost				
Land	99,653,416	569,318	-	100,222,734
Buildings	23,896,361	243,900	-	24,140,261
Equipment and machinery	209,822,109	54,597,871	(20,975,850)	243,444,130
Office equipment	7,441,750	488,000	-	7,929,750
Tools	17,851,089	1,296,090	-	19,147,179
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	14,923,997	1,487,058	(3,150)	16,407,905
Vehicles	152,723,489	44,047,732	(13,047,862)	183,723,359
Capital work-in-progress	678,000	2,103,989	-	2,781,989
	529,816,016	104,833,958	(34,026,862)	600,623,112
Accumulated depreciation				
Buildings	8,446,645	1,398,278	-	9,844,923
Equipment and machinery	153,947,359	9,220,464	(17,275,182)	145,892,641
Office equipment	6,478,079	360,507	-	6,838,586
Tools	16,136,815	1,107,062	-	17,243,877
Concrete barriers	2,655,936	69,426	-	2,725,362
Furniture and fixtures	12,842,777	1,670,521	(323)	14,512,975
Vehicles	102,375,955	13,427,309	(12,708,162)	103,095,102
	302,883,566	27,253,567	(29,983,667)	300,153,466
	226,932,450			300,469,646

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8 Property and equipment (continued)

Capital work-in-progress relates to the new management building under construction located in Riyadh which is expected to be completed in 2027.

	1 January 2024	Additions	Disposals	31 December 2024
2024				
Cost				
Land	99,653,416	-	-	99,653,416
Buildings	23,737,861	158,500	-	23,896,361
Equipment and machinery	205,211,806	11,008,803	(6,398,500)	209,822,109
Office equipment	7,441,750	-	-	7,441,750
Tools	17,199,744	651,345	-	17,851,089
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	13,979,754	944,243	-	14,923,997
Vehicles	141,468,894	16,569,086	(5,314,491)	152,723,489
Capital work-in-progress	678,000	-	-	678,000
	512,197,030	29,331,977	(11,712,991)	529,816,016
Accumulated depreciation				
Buildings	7,040,602	1,406,043	-	8,446,645
Equipment and machinery	146,451,694	8,414,868	(919,203)	153,947,359
Office equipment	6,073,350	404,729	-	6,478,079
Tools	14,998,951	1,137,864	-	16,136,815
Concrete barriers	2,581,973	73,963	-	2,655,936
Furniture and fixtures	11,351,436	1,491,341	-	12,842,777
Vehicles	93,912,102	10,430,659	(1,966,806)	102,375,955
	282,410,108	23,359,467	(2,886,009)	302,883,566
	229,786,922			226,932,450

Depreciation is calculated on a straight-line basis over the following useful lives of the assets:

	Number of years
• Buildings	7 - 33
• Equipment and machinery	15
• Office equipment	5
• Tools	3
• Concrete barriers	10
• Furniture and fixtures	3
• Vehicles	5-15

Depreciation is allocated between contract costs and General and administrative expenses as follows:

Cost	2025	2024
Contract costs	27,024,400	22,126,591
General and administrative expenses	229,167	1,232,876

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9 Right-of-use assets

	Accommodation buildings	Vehicles	Total
<u>2025</u>			
Cost			
At 1 January	338,803	7,038,973	7,377,776
Additions	342,114	-	342,114
Disposal	-	(5,011,236)	(5,011,236)
At 31 December	680,917	2,027,737	2,708,654
Accumulated depreciation			
At 1 January	28,233	2,728,518	2,756,751
Charge for the year	340,456	520,664	861,120
Disposal	-	(2,843,631)	(2,843,631)
At 31 December	368,689	405,551	774,240
	312,228	1,622,186	1,934,414
	Accommodation buildings	Vehicles	Total
<u>2024</u>			
Cost			
At 1 January	4,510,481	7,038,973	11,549,454
Additions	338,803	-	338,803
Disposal	(4,510,481)	-	(4,510,481)
At 31 December	338,803	7,038,973	7,377,776
Accumulated depreciation			
At 1 January	4,310,243	1,822,374	6,132,617
Charge for the year	228,469	906,144	1,134,613
Disposal	(4,510,479)	-	(4,510,479)
At 31 December	28,233	2,728,518	2,756,751
	310,570	4,310,455	4,621,025

The Company has leases in respect of accommodation buildings and vehicles. Rental contracts are typically made for a fixed period of 2 to 5 years and considered an extension option where the Company's management is reasonably certain to exercise.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases and low value assets amounting to Saudi Riyals 47 million (2024: Saudi Riyals 38 million).

10 Intangible assets

	2025	2024
<u>Software</u>		
Cost		
At 1 January	2,668,664	2,071,870
Additions	-	596,794
At 31 December	2,668,664	2,668,664
Accumulated amortisation:		
At 1 January	1,260,600	812,406
Amortisation	435,439	448,194
At 31 December	1,696,039	1,260,600
Net book value	972,625	1,408,064

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11 Contract receivables

	As at 31 December 2025	As at 31 December 2024
Progress receivable	1,050,174,565	804,271,951
Retention receivable	268,095,582	242,901,856
	1,318,270,147	1,047,173,807
Less: ECL allowance	(38,415,852)	(48,477,278)
	1,279,854,295	998,696,529

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11 Contract receivables (continued)

- (a) The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables. Information about the impairment of contract receivables and the Company's exposure to credit risk can be found in note 23.

For the contract receivables, the ECL allowance as at 31 December 2025 and 2024 was determined as follows:

	Not due	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
31 December 2025							
Expected loss rate	1.03%	2.68%	6.00%	-	14.98%	15.12%	
Gross carrying amount	694,925,681	177,208,188	35,164,310	-	1,475,743	141,400,643	1,050,174,565
ECL allowance	7,187,840	4,750,574	2,109,467	-	221,109	21,373,861	35,642,851
31 December 2024							
Expected loss rate	1.59%	3.65%	7.26%	8.68%	14.41%	14.56%	
Gross carrying amount	118,641,730	385,101,956	63,561,260	109,807,009	79,836,498	47,323,498	804,271,951
ECL allowance	1,886,574	14,057,330	4,615,017	9,325,771	11,503,393	6,889,193	48,477,278

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11 Contract receivables (continued)

Movement in ECL allowance is as follows:

	2025	2024
At 1 January	48,477,278	22,249,104
(Reversal) / charge for the year	(10,061,426)	34,781,100
Write off	-	(8,552,926)
At 31 December	38,415,852	48,477,278

ECL allowance on retention amounted to Saudi Riyals 2.8 million (2024: nil).

(b) The net carrying amounts of the Company's contract receivables are denominated in Saudi Riyals.

(c) The Company does not hold any collateral as security.

12 Contract assets and liabilities

	As at 31 December 2025	As at 31 December 2024
Cumulative value of work executed	13,677,681,927	11,653,228,576
Less: progress billings	(11,488,248,465)	(9,672,386,910)
	2,189,433,462	1,980,841,666
Less: Contract liabilities	(772,421,727)	(249,663,333)
	1,417,011,735	1,731,178,333
Less: ECL allowance	(14,656,609)	(27,528,224)
	1,402,355,126	1,703,650,109

The gross balance of Contract liabilities as at 31 December 2025 amounted to Saudi Riyals 969.6 million (2024: Saudi Riyals 278.5 million), of which Saudi Riyals 772.4 million was netted off against contract assets as at 31 December 2025 (2024: 249.7 million). Contract balances are reported as net assets or liabilities at the contract level in accordance with IFRS 15. Advances against contracts where work has not yet commenced amounted to Saudi Riyals 197.2 million (2024: 28.8 million) which are presented gross on the face of the statement of financial position.

Movement in contract assets and liabilities is as follows:

	2025	2024
Contract assets as at 1 January	1,980,841,666	1,489,141,697
Revenue	3,507,587,530	3,202,561,361
Transfers to billings	(3,298,995,734)	(2,710,861,392)
Net balance as at 31 December	2,189,433,462	1,980,841,666
	2025	2024
Contract liabilities at 1 January	278,500,165	187,706,448
Advances received during the year	923,456,785	146,771,089
Transfers to billings	(232,294,880)	(55,977,372)
	969,662,070	278,500,165
Less contract assets	(772,421,727)	(249,663,333)
Net balance as at 31 December	197,240,343	28,836,832

The net balance as at 31 December reported above comprise of:

	2025	2024
Contract assets, before ECL allowance	1,417,011,735	1,731,178,333
Contract liabilities	(197,240,343)	(28,836,832)
	1,219,771,392	1,702,341,501

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for contract receivables and contract assets. The Company has used an expected loss rate of 1% as at 31 December 2025 (31 December 2024: 1.6%). Information about the impairment of contract receivables and the company's exposure to credit risk can be found in note 23.

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12 Contract assets (continued)

Movement in ECL allowance is as follows:

	2025	2024
At 1 January	27,528,224	15,602,854
(Reversal) / charge for the year	(12,871,615)	11,925,370
At 31 December	<u>14,656,609</u>	<u>27,528,224</u>

13 Prepayments, advances and other receivables

	As at 31 December 2025	As at 31 December 2024
Advances to suppliers and subcontractors	261,791,543	201,217,300
Margins on bank guarantees and letter of credits	6,509,632	26,638,202
Advances to employees	1,475,499	462,227
Other receivables	3,685,263	4,653,654
	<u>273,461,937</u>	<u>232,971,383</u>

Information about the impairment of advances, other receivables and the company's exposure to credit risk can be found in note 23.

14 Cash and cash equivalents

	As at 31 December 2025	As at 31 December 2024
Cash at banks	590,167,362	72,692,023
Deposits at call	189,346,074	117,510,127
	<u>779,513,436</u>	<u>190,202,150</u>

Deposits at call as at 31 December 2025, represent deposits placed with a commercial bank, with original maturity period of less than three months and carry market rate of interest.

15 Share capital

The authorized, issued and fully paid share capital of the Company as of 31 December 2025 consisted of 800,000,000 shares amounting to Saudi Riyals 1 per share (31 December 2024: 800,000,000 shares stated at Saudi Riyals 1 per share) with total share capital amounts to Saudi Riyals 800,000,000 and owned as follows:

	Nationality	As at 31 December 2025	As at 31 December 2024
Mutlaq Damouk Al-Ghowairi	Saudi	52.5%	52.5%
Terad Damouk Al-Ghowairi	Saudi	22.5%	22.5%
Mutlaq Mohamed Al-Ghowairi	Saudi	4.2%	4.2%
Abdulmajid Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Abdulmohsen Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Nayef Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Abdullah Mohamed Al-Ghowairi	Saudi	2.4%	2.4%
Moudi Ajmi Al-Otaibi	Saudi	1.9%	1.9%
Reem Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Asmaa Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Shatha Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Wafaa Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Nouf Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Nada Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Noura Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
Hind Mohamed Al-Ghowairi	Saudi	1.2%	1.2%
		<u>100%</u>	<u>100%</u>

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15 Share capital (continued)

During March 2024, the Company's shareholders passed the resolution to increase the share capital of the Company by Saudi Riyals 500.0 million through the conversion of amounts from retained earnings, resulting in total share capital of Saudi Riyals 800.0 million comprising of 800,000,000 shares. Legal formalities relating to such increase in share capital were completed during the respective period.

16 Other reserve

In accordance with its By-laws, before it was amended as explained in the following paragraph, the Company was required to transfer 10% of its annual net income to a statutory reserve and the Ordinary General Assembly may decide to discontinue setting aside such percentage if the reserve reaches at least 30% of paid-in capital.

The Company's Extra Ordinary General Assembly meeting held on 16 November 2023 approved certain amendments to its By-laws to comply with the new applicable Companies' Law, including elimination of the requirement of the aforementioned transfer to a statutory reserve and decided to discontinue setting aside further amounts. This reserve was not available for distribution to the shareholders of the Company.

17 Lease liabilities

	Accommodation buildings		Vehicles	
	2025	2024	2025	2024
At 1 January	252,999	94,057	-	1,095,466
Additions	342,114	338,803	-	-
Finance cost	21,429	3,403	-	98,738
Payments	(354,774)	(183,264)	-	(1,194,204)
At 31 December	261,768	252,999	-	-

The lease liabilities are presented as follows in the accompanying statement of financial position:

	As at 31 December 2025	As at 31 December 2024
Non-current	175,323	-
Current	86,445	252,999
	261,768	252,999

18 Employee benefit obligations

18.1 General description of the plan

The Company operates a defined benefit plan in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The employee benefit obligations payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Law of Saudi Arabia. Employees benefit obligations plans are unfunded plans, and the benefit payment obligations are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the Projected Unit Credit Method was carried out by an independent actuary as of 31 December 2025.

	2025	2024
At 1 January	43,131,292	39,019,619
Current service cost and interest cost	12,719,386	9,635,494
Payments	(2,337,317)	(3,280,632)
Loss / (gain) on remeasurements of employee benefit obligations	561,216	(2,243,189)
At 31 December	54,074,577	43,131,292

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18 Employee benefit obligations (continued)

18.2 Amounts recognised in the statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	2025	2024
Current service cost	10,411,441	7,859,977
Interest expense	2,307,945	1,775,517
Total amount recognised in profit or loss	12,719,386	9,635,494
Re-measurements		
Loss / (gain) from change in financial assumptions	801,679	(1,984,241)
Experience gain	(240,463)	(258,948)
Total amount recognised in other comprehensive (loss) / income	561,216	(2,243,189)

18.3 Key actuarial assumptions

	2025	2024
Discount rate	5.25%	5.5%
Salary growth rate	5.50%	5.5%

18.4 Sensitivity analysis for actuarial assumptions

2025	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	51,006,581	57,539,210
Salary growth rate	1%	1%	57,746,436	50,765,130
2024	Change in assumption		Closing value of employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	1%	40,749,147	45,818,877
Salary growth rate	1%	1%	45,988,879	40,553,980

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of employee benefit obligations calculated with Projected Unit Credit Method at the end of the reporting period) has been applied when calculating the employee benefit obligation.

The weighted average duration of the defined benefit obligation is 6 years (2024: 6 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

	Less than a year	Between 1 - 2 Years	Between 2 - 5 Years	Over 5 Years	Total
31 December 2025	12,586,090	7,949,921	27,018,429	238,341,058	285,895,498
31 December 2024	11,112,494	5,930,504	22,040,307	183,101,918	222,185,223

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19 Trade payables

	As at 31 December 2025	As at 31 December 2024
Commercial suppliers	322,643,871	95,784,417
Subcontractors	84,433,477	95,784,174
	407,077,348	191,568,591

Also refer to note 22 for trade payable balances related to related parties.

20 Accrued expenses and other payables

	As at 31 December 2025	As at 31 December 2024
Value Added Tax payable	177,992,180	137,482,517
Accrued expenses	401,511,868	213,444,901
Other credit balances	100,680	493,745
	579,604,728	351,421,163

21 Zakat

21.1 Status of certificates and final assessments

The Company filed its zakat returns and obtained zakat certificates for all the years up to 2024. The company received zakat assessments for all years up to 2018 and settled all related dues with ZATCA. Management have made an additional accrual related to zakat to cover for any additional assessments in the coming years.

21.2 Calculation of adjusted net income

	2025	2024
Profit for the year	884,600,732	1,279,756,817
Impairment of financial assets	2,622,981	1,304,585
Adjustments recognised in the period for current tax of prior periods	-	(3,528,762)
Adjusted profit for the year	887,223,713	1,277,532,640

21.3 Approximate zakat base

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

	2025	2024
Additions:		
- Share capital	800,000,000	800,000,000
- Other reserve	300,000	300,000
- Retained earnings	1,869,241,366	1,850,818,164
- Provisions	152,051,608	142,272,592
- Lease liabilities	261,768	252,999
- Other liabilities	27,075,368	22,960,007
Total additions	2,848,930,110	2,816,603,762
Deductions:		
- Property, plant and equipment	300,469,646	226,932,450
- Right-of-use assets	1,934,414	4,621,025
- Intangible assets	972,625	1,408,064
Total deductions	303,376,685	232,961,539
Zakat base	2,545,553,425	2,583,642,223
Adjusted zakat base (365 days)	2,624,652,543	2,671,223,315
Share of Saudi shareholder in the adjusted zakat base at 100%	2,624,652,543	2,671,223,315
Estimated zakat liability	65,616,314	66,780,583

Zakat is calculated at 2.5% of adjusted zakat base attributable to the Saudi shareholder.

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21 Zakat (continued)

21.4 The movement in the zakat payable during the years ended 31 December 2025, and 2024 is as follows:

	2025	2024
At 1 January	99,141,300	74,125,737
Charge for the year	65,616,314	66,780,583
Adjustments recognised in the period for current tax of prior periods	-	3,528,762
Payments	(66,780,583)	(45,293,782)
At 31 December	97,977,031	99,141,300

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22 Related party transactions and balances

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the significant influence of the Company's shareholders), and key management personnel. Related parties also include business entities in which shareholders, certain directors or senior management have an interest.

(a) Following are the significant transactions entered into by the Company with related parties during the years ended 31 December 2025 and 2024:

Related party name	Relationship	Nature of transactions	Year ended 31 December 2025	2024
Al Khotoot Al Naqilah Company Al Ghowairi Al Watania Company Hareskom Mohamed Damook Mutlaq Al Ghowairi Heirs	Entity under common control Entity under common control Entity under common control Shareholders	Construction work services Construction work services Security Dividends Paid IPO expenses	(284,337,241) (85,770,257) (22,702,416) 200,000,000 211,530	(95,617,302) (76,352,933) - 100,000,000 516,706
Mutlaq Damook Mutlaq Al Ghowairi	Chairman of Board of Directors (Ultimate controlling party)	Dividends Paid in cash Dividends settled against due from balance IPO expenses Dividends Paid IPO expenses	420,000,000 - 5,891,798 180,000,000 1,948,605	206,457,020 3,542,980 12,917,653 90,000,000 2,583,531
Torad Damook Mutlaq Al Ghowairi	Deputy Chairman of the Board			

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22 Related party transactions and balances (continued)

(b) Key management personnel compensation

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company. The below disclosed amounts include Board of Directors' remuneration. The compensation to key management is shown below:

	Year ended 31 December	
	2025	2024
Salaries and other short-term employee benefits	18,929,280	14,905,277
Employee benefit obligations	917,418	686,044
	19,846,698	15,591,321

(c) Related party balances

(i) Due from related parties

	As at 31 December 2025	As at 31 December 2024
Other related parties		
Mutlaq Damook Mutlaq Al Ghowairi	5,891,798	12,917,653
Torad Damook Mutlaq Al Ghowairi	1,948,605	2,583,531
Mutlaq Mohamed	211,530	516,706
Naif Mohammed Al-Ghowairi	103,753	-
Abdullah Mohammed Al-Ghowairi	103,753	-
Wafa Mohammed Al-Ghowairi	52,020	-
Nada Mohammed Al-Ghowairi	52,020	-
Reem Mohammed Al-Ghowairi	51,733	-
Asma Mohammed Al-Ghowairi	51,733	-
Shaza Mohammed Al-Ghowairi	51,733	-
Noura Mohammed Damouk Al-Ghowairi	51,733	-
Hind Mohammed Al-Ghowairi	51,733	-
	8,622,144	16,017,890

Management considers that there is no significant credit risk associated with the due from balances and, therefore, no risk of default is expected.

(ii) Due to related parties

	As at 31 December 2025	As at 31 December 2024
Associated companies		
Al Khotoot AL Naqilah Company	30,951,362	4,508,542
Al Ghowairi Al Watania Company	10,219,810	4,477,017
Harsskom Co.	235,290	43,700
	41,406,462	9,029,259

Balances due to related parties primarily represent payable balances which are trading in nature for construction services received.

23 Financial risk management

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Director.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Mutlaq Al-Ghowairi Contracting Company
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 (All amounts in Saudi Riyals unless otherwise stated)

23 Financial risk management (continued)

23.1 Financial risk factors (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily in Saudi Riyals. Foreign currency exposure for the Company is limited.

(ii) Fair value and cash flow interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk, as it has deposits with commercial banks which earn financial income on prevailing market rates. However, for 2025 and 2024, the effect on profit or loss due to change in the market interest rates is not material.

(iii) Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company's financial assets and liabilities are not exposed to price risk.

(b) Credit risk

The risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily contract receivables, contract assets including due from related parties' balances and other current financial assets) and on bank balances.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties. As at 31 December, the maximum exposure to credit risks was as follows:

	As at 31 December 2025	As at 31 December 2024
Contract receivables	1,279,854,295	998,696,529
Contract assets	1,402,355,126	1,703,650,109
Due from related parties	8,622,144	16,017,890
Margins on bank guarantees, letter of credits, advances to employees and other receivables	11,670,394	31,754,083
Cash and cash equivalents	779,513,436	190,202,150
	3,482,015,395	2,940,320,761

Credit risk on contract receivables and contract assets is managed subject to the Company's established policy, procedures and control defined to mitigate the credit risk. Contract receivables of the Company comprised primarily of balances due from customers for contracting services rendered by the Company. The Company seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The credit terms are extended to customers where the Company does not expect any inability to pay.

Mutlaq Al-Ghowairi Contracting Company
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23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(b) *Credit risk* (continued)

Simplified approach for estimating ECL:

The Company establishes ECL allowance that represents its estimate of potential losses in respect of contract receivables and contract assets. The main components of this loss is the collective expected loss component for similar assets determined in accordance with the requirements of IFRS 9. The collective loss allowance is determined based on historical data of recovery statistics for similar financial assets.

The Company has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of receivables.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. At 31 December 2025, 57.3% of accounts receivables and contract assets were due from three customers (2024: 72.3% from four customers). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments and due to the nature of the customers overdue balances are routinely collected.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

Balances due from related parties are considered low-risk due to the nature of relationship. Also, ECL on balances due from related parties and other financial assets such as other receivables and cash at banks is considered immaterial.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2025					
Lease liabilities	86,445	191,824	-	-	278,269
Trade payables	407,077,348	-	-	-	407,077,348
Due to related parties	41,406,462	-	-	-	41,406,462
Accrued expenses and other liabilities	401,612,548	-	-	-	401,612,548
	850,182,803	191,824	-	-	850,374,627
	Less than one year	1 to 2 Years	2 to 5 years	Over 5 years	Total
2024					
Lease liabilities	252,999	-	-	-	252,999
Trade payables	191,568,591	-	-	-	191,568,591
Due to related parties	9,029,259	-	-	-	9,029,259
Accrued expenses and other liabilities	213,938,646	-	-	-	213,938,646
	414,789,495	-	-	-	414,789,495

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2025
 (All amounts in Saudi Riyals unless otherwise stated)

23 Financial risk management (continued)

23.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

As explained in note 23.2 below, the Company has a very strong liquidity position. While all of the liabilities in the table above are current, the Company's current assets exceed current liabilities by more than two times. In addition, the Company is in a net funds position meaning that it has enough cash on hand to repay all of its borrowings and lease liabilities immediately.

23.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has no external borrowings other than a minor amount of leases and demand liabilities due to shareholders. Accordingly, the Company stopped using the gearing ratio to monitor capital risk. The shareholders of the Company monitor the funding requirements and provide funding as and when needed. The strong capital position of the Company was further enhanced by the decision of the shareholders to increase the share capital of the Company by transferring funds from retained earnings (refer to note 15). The Board of the Company will continue to assess the funding requirements of the Company and seek additional funding as and when needed.

For the purpose of the Company's capital risk management, capital includes issued capital, and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

	2025	2024
Lease liabilities	261,768	252,999
Due to related parties	41,406,462	9,029,259
Less: cash and cash equivalents	(779,513,436)	(190,202,150)
Net (funds) debt	(737,845,206)	(180,919,892)
Total equity	2,669,541,366	2,651,118,164
Gearing ratio (if applicable)	-	-

23.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

As at 31 December 2025 and 2024 the carrying value of financial assets and liabilities approximate their fair values due to their short term nature.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2025
 (All amounts in Saudi Riyals unless otherwise stated)

24 Financial instruments

(a) Categories of financial instruments

The Company's financial instruments were classified into the following measurement categories:

	At amortised cost	
	As at 31 December 2025	As at 31 December 2024
Assets as per statement of financial position		
Contract receivables	1,279,854,295	998,696,529
Due from related parties	8,622,144	16,017,890
Margins on bank guarantees, letter of credits, advances to employees and other receivables	11,670,394	31,754,083
Cash and cash equivalents	779,513,436	190,202,150
Total	2,079,660,269	1,236,670,652
Liabilities as per statement of financial position		
Trade payables	407,077,348	191,568,591
Accrued expenses and other liabilities	579,604,728	351,421,163
Due to related parties	41,406,462	9,029,259
Total	1,028,088,538	552,019,013

(b) Credit quality of financial assets

As per the credit policy of the Company, customers are extended a credit period of up to 60 days in the normal course of business related to progress billings. The credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Company operates.

The following table shows the aging for contract receivable balances where no external credit ratings is available:

Trade receivable - Counterparties without external credit rating

	As at 31 December 2025	As at 31 December 2024
0 - 90 days	1,125,518,036	730,701,638
Due over 90 days	154,336,259	267,994,891
	1,279,854,295	998,696,529

Cash at bank

For banks, parties generally with a minimum rating of P-2 are accepted. The stated rating is as per the global bank ratings by Moody's Investors Service. As at 31 December 2025 and 2024, the Company held balances with banks that had a rating of P-1 with amount of Saudi Riyals 418,3 million (2024: Saudi Riyals 190 million) and P-2 with amount of Saudi Riyals 361,1 (2024: nil) as per Moody's Investor Service. Accordingly, the management does not expect any losses from non-performance by these counterparties.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
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 (All amounts in Saudi Riyals unless otherwise stated)

25 Dividends

2024

On 23 Ramadan 1445H (corresponding to 2 April 2024), the shareholders of the Company in their Extraordinary General Assembly Meeting approved dividends of Saudi Riyals 100.0 million (equivalent to Saudi Riyals 0.13 per share), which were settled during April 2024.

Additionally, on 7 Dhul Hijjah 1445H, (corresponding to 13 June 2024), and 16 Safar 1446H, (corresponding to 20 August 2024), the Board of Directors of the Company as per its resolution No (2024-7) and (2024-8), approved dividends of Saudi Riyals 100.0 million and Saudi Riyals 100.0 million consecutively (equivalent to Saudi Riyals 0.13 per share), which were settled during June and August 2024.

Further On 08 JAl-Awwal 1446H (corresponding to 09 December 2024), the Board of directors approved dividends of Saudi Riyals 100.0 million

Such approval by the Board of Directors was in accordance with the authorization issued by the Extraordinary General Assemblies held on 2 Jumada Al-Awwal 1445H (corresponding to 16 November 2023) 5 Jumada Al-Awwal 1446H (corresponding to 7 November 2024) to the Board of Directors to distribute interim dividends to shareholders on a quarterly basis.

2025

On 29 Rajab 1446H (corresponding to 29 January 2025), the shareholders of the Company in their General Assembly Meeting approved dividends of Saudi Riyals 100.0 million (equivalent to Saudi Riyals 0.13 per share), which were settled on 30 January 2025.

On 26 Dul Hija 1446H (corresponding to 23 June 2025), the Board of Directors of the Company as per its resolution, approved dividends of Saudi Riyals 50.0 million (equivalent to Saudi Riyals 0.06 per share), which were settled on 24 June 2025.

On 21 Moharam 1447H (corresponding to 16 July 2025), the Board of Directors of the Company as per its resolution, approved dividends of Saudi Riyals 150.0 million (equivalent to Saudi Riyals 0.19 per share), which were partially settled Saudi Riyals 50.0 million on 17 July 2025, Saudi Riyals 50.0 million on 21 August 2025 and Saudi Riyals 50.0 million on 08 September 2025.

On 05 Rabi' al-Thani 1447H (corresponding to 27 September 2025), the shareholders of the Company in their Extra Ordinary General Assembly Meeting approved dividends of Saudi Riyals 200.0 million (equivalent to Saudi Riyals 0.25 per share), which were settled partially Saudi Riyals 60.9 million on 28 September 2025 and Saudi Riyals 139.1 million 5 October 2025.

Further, on 28 Rabi' al-Thani 1447H (corresponding to 20 October 2025), the shareholders of the Company in their Extra Ordinary General Assembly Meeting, approved dividends of Saudi Riyals 300.0 million (equivalent to Saudi Riyals 0.38 per share), which were settled on 3 November 2025 and 1 December 2025.

Such approval by the Board of Directors was in accordance with the authorization issued by the Extraordinary General Assembly held on 5 Jumada Al-Awwal, 1446(corresponding to 7 November 2024) to the Board of Directors to distribute interim dividends to shareholders on a quarterly basis.

26 Bank guarantees and letters of credit and commitments

At 31 December 2025, the Company had bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 5,203.6 (2024: Saudi Riyals 3,463 million).

There are various ongoing legal cases filed against the Company by former employees and third parties. The management of the Company believes that such cases would be resolved without any material impact on the condensed interim financial information of the Company.

27 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements for the year ended 31 December 2025
 (All amounts in Saudi Riyals unless otherwise stated)

27 Basic and diluted earnings per share (continued)

The following table reflects the income for the period attributable to ordinary equity holders and weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

	2025	2024
Profit attributable to the shareholders of the Company	818,423,202	1,211,690,661
Weighted average number of ordinary shares for basic and diluted earnings per share	800,000,000	800,000,000
	1.02	1.51

28 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

The Company's operations are related to one operating segment which is contracting services. The Company's operations are conducted in the Kingdom of Saudi Arabia and information related to revenue from major customers is disclosed in note 5.

29 Subsequent events

No events have occurred up to and including the date of the approval of the financial statements by the Board of Directors of the Company which could materially affect the financial statements and the related disclosures for the year ended 31 December 2025.

30 Approval of the financial statements

The financial statements of the Company for the year ended 31 December 2025 were authorized for issuance by the Board of Directors on 9 March 2026.

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2026 AND REPORT ON REVIEW
OF CONDENSED INTERIM FINANCIAL INFORMATION**

**MUTLAQ AL-GHOWAIRI CONTRACTING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 March 2026**

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Report on review of condensed interim financial information

To the board of directors of Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Mutlaq Al-Ghowairi Contracting Company (the "Company") as of 31 March 2026 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information 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 this condensed interim financial information 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 information 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, as 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Emphasis of matter - Restriction on distribution and use

We draw attention to Note 1 to the condensed interim financial information, which describes that the accompanying condensed interim financial information as of and for the three-month period ended 31 March 2026 has been prepared in connection with the Company's Initial Public Offering as required by the Capital Market Authority of the Kingdom of Saudi Arabia and should not be used for any other purpose. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers


Khalid Mahdhar
License Number 368

10 May 2026

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Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Condensed interim statement of profit or loss and other comprehensive income
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Contracts revenue	4	967,293,151	608,878,815
Contracts cost	5	(740,526,734)	(395,381,577)
Gross profit		226,766,417	213,497,238
General and administrative expenses		(32,972,417)	(23,613,360)
Reversal / (charge) of impairment of financial assets		18,071,702	(64,365,918)
Other operating income		1,961,832	172,200
Operating profit		213,827,534	125,690,160
Finance costs		(608,377)	(472,799)
Finance income		5,388,379	448,597
Profit before zakat		218,607,536	125,665,958
Zakat expense	14	(16,445,549)	(16,783,766)
Profit for the period		202,161,987	108,882,192
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
(Loss) / gain on remeasurement of employee benefit obligations		(147,319)	588,837
Total comprehensive income for the period		202,014,668	109,471,029
Earnings per share			
Basic and diluted	16	0.25	0.14

The accompanying notes from 1 to 22 are an integral part of this condensed interim financial information.

This condensed interim financial information including notes was approved and authorised for issue by the Board of Directors on 10 May 2026 and was signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Condensed interim statement of financial position
 (All amounts in Saudi Riyals unless otherwise stated)

		As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Assets			
Non-current assets			
Property and equipment	6	298,739,594	300,469,646
Right-of-use assets		1,815,504	1,934,414
Intangible assets		865,389	972,625
Total non-current assets		301,420,487	303,376,685
Current assets			
Trade and other receivables	7	1,453,887,935	1,279,854,295
Contract assets	8	1,623,089,448	1,402,355,126
Due from related parties	15	11,492,259	8,622,144
Prepayments, advances and other receivables	9	268,174,936	273,461,937
Cash and cash equivalents	10	521,064,004	779,513,436
Total current assets		3,877,708,582	3,743,806,938
Total assets		4,179,129,069	4,047,183,623
Equity and liabilities			
Equity			
Share capital	11	800,000,000	800,000,000
Other reserve		300,000	300,000
Retained earnings		2,071,256,034	1,869,241,366
Total equity		2,871,556,034	2,669,541,366
Liabilities			
Non-current liabilities			
Employee benefit obligations		56,645,992	54,074,577
Lease liabilities		87,654	175,323
Total non-current liabilities		56,733,646	54,249,900
Current liabilities			
Trade payables	12	469,468,389	407,077,348
Contract liabilities	8	247,779,271	197,240,343
Due to related parties	15	35,964,817	41,406,462
Accrued expenses and other payables	13	448,733,115	579,604,728
Lease liabilities		87,530	86,445
Zakat	14	48,806,267	97,977,031
Total current liabilities		1,250,839,389	1,323,392,357
Total liabilities		1,307,573,035	1,377,642,257
Total equity and liabilities		4,179,129,069	4,047,183,623

The accompanying notes from 1 to 22 are an integral part of this condensed interim financial information.

The condensed interim financial information including notes was approved and authorised for issue by the Board of Directors on 10 May 2026 and was signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Condensed interim statement of changes in equity
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Other reserve	Retained earnings	Total
At 1 January 2025 (Audited)		800,000,000	300,000	1,850,818,164	2,651,118,164
Profit for the period		-	-	108,882,192	108,882,192
Other comprehensive income for the period		-	-	588,837	588,837
Total comprehensive income for the period		-	-	109,471,029	109,471,029
Dividends	17	-	-	(100,000,000)	(100,000,000)
At 31 March 2025 (Unaudited)		800,000,000	300,000	1,860,289,193	2,660,589,193
At 1 January 2026 (Audited)		800,000,000	300,000	1,869,241,366	2,669,541,366
Profit for the period		-	-	202,161,987	202,161,987
Other comprehensive loss for the period		-	-	(147,319)	(147,319)
Total comprehensive income for the period		-	-	202,014,668	202,014,668
At 31 March 2026 (Unaudited)		800,000,000	300,000	2,071,256,034	2,871,556,034

The accompanying notes from 1 to 22 are an integral part of this condensed interim financial information.

This condensed interim financial information including notes was approved and authorised for issue by the Board of Directors on 10 May 2026 and was signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
Condensed interim statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

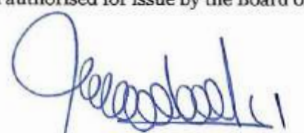
Note	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities		
Profit before zakat	218,607,536	125,665,958
<u>Adjustments for non-cash items</u>		
Depreciation of property and equipment	6 7,972,411	6,569,635
Depreciation of right-of-use assets	118,910	311,650
Amortisation of intangible assets	107,236	109,611
Gain on disposal of property and equipment	6 (1,666,663)	-
(Reversal) / charge of impairment of financial assets	(18,071,702)	64,365,918
Employee benefit obligations	2,731,052	2,125,473
Finance costs	608,377	472,799
Finance income	(5,388,379)	-
<u>Changes in operating assets and liabilities:</u>		
Trade and other receivables	(160,009,323)	1,836,415
Contract assets	(216,686,937)	(11,843,426)
Prepayments, advances and other receivables	5,287,001	(43,811,840)
Trade payables	62,391,041	66,932,739
Contract liabilities	50,538,928	(21,682,775)
Due to related parties	(5,441,645)	26,494,446
Accrued expenses and other payables	(130,871,613)	(97,580,415)
Cash (used in) / generated from operations	(189,773,770)	119,966,188
Finance income received	5,388,379	-
Employee benefit obligations paid	(912,792)	(119,932)
Zakat paid	14 (65,616,313)	-
Net cash (outflow) / inflow from operating activities	(250,914,496)	119,846,256
Cash flows from investing activities		
Purchase of property and equipment	6 (8,836,641)	(12,152,020)
Proceeds from sale of property and equipment	4,260,945	-
Net cash outflow from investing activities	(4,575,696)	(12,152,020)
Cash flows from financing activities		
Dividends paid	17 -	(100,000,000)
Payment of principal elements of lease payments	(86,584)	(82,399)
Payment of finance cost elements of lease payments	(2,541)	(6,726)
Due from related parties	(2,870,115)	-
Cash outflow from financing activities	(2,959,240)	(100,089,125)
Net (decrease) / increase in cash and cash equivalents	(258,449,432)	7,605,111
Cash and cash equivalents at beginning of period	779,513,436	190,202,150
Cash and cash equivalents at end of period	10 521,064,004	197,807,261
Significant Non- cash transactions		
Additions to right-of-use assets and lease liabilities	-	342,114

The accompanying notes from 1 to 22 are an integral part of this condensed interim financial information.

This condensed interim financial information including notes was approved and authorised for issue by the Board of Directors on 10 May 2026 and was signed on its behalf by:



Omar bin Bijad Al-Dalbhy
Chief Executive Officer



Ayman Alghamdi
Chief Financial Officer

Mutlaq Al-Ghowairi Contracting Company
(A Saudi Closed Joint Stock Company)
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1 General information

Mutlaq Al-Ghowairi Contracting Company (the “Company”) is engaged in general contracting and installation of buildings, road construction, and traffic safety means, along with the maintenance, operation, and implementation of water and sanitation works, mechanical works, telephone works, garden and park construction, operation, and maintenance, road maintenance, dam works, connecting telephone and electricity networks, bridge works, rainwater drainage, and the construction and management of hospitals and health centers and clinics.

The Company is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 1010012911 issued in Riyadh on 3 Rabi Al-Thani 1429H (corresponding to 10 April 2008). The registered address of the Company is P.O. Box 3852, Riyadh 11481, Kingdom of Saudi Arabia.

The accompanying financial information include the financial results of the Company registered in Riyadh. The table below shows the commercial records of the Company’s branches:

CR No	Date	Registered City
1010400529	5 Rabi Al-Awwal 1435H (corresponding to 6 January 2014)	Riyadh

The accompanying condensed interim financial information has been prepared in connection with the Company’s Initial Public Offering as required by the Capital Market Authority of the Kingdom of Saudi Arabia.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information has 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 issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

This condensed interim financial information should be read in conjunction with the Company’s annual audited financial statements as at and for the year ended 31 December 2025 and do not include all of the information required for a complete set of financial statements under International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual audited financial statements.

The impact of seasonality or cyclicity on operations is not regarded as significant to the unaudited condensed interim financial information. The completion of contracts with a particular customer during 2025 that carry a profit margin that is significantly higher than contracts with other customers has resulted in decrease in overall profit margin of Company during 2026. Also see note 4.

The interim results may not be an indicator of the annual results of the Company.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for employee benefit obligations measured using the Projected Unit Credit Method.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Saudi Riyals which is the functional currency of the Company.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company’s condensed interim financial information requires management 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 Company’s accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the annual financial statements for the year ended 31 December 2025.

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3 Material accounting policies

The material accounting policies used in the preparation of this condensed interim financial information is consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2025.

(a) New and amended standards adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period. The Company has adopted the following relevant amendments to IFRS which are effective for period beginning on and after 1 January 2026, and have no impact on the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments: The amendment clarifies the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarifies and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, and adds new disclosures for certain instruments with contractual terms that can change cash flows and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income.

(b) Standards and interpretations issued but not yet effective and not applied by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2026 reporting period and have not been early adopted by the Company. The standards, interpretations and amendments issued, but are not yet effective are disclosed below.

Title	Key requirements	Effective date
IFRS 18 - Presentation and Disclosure in Financial Statements	In April 2024 the IASB issued a new International Financial Reporting Standard to improve reporting of financial performance.	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 was issued in May 2024 and specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027

The Company has not early adopted the above amendments and the Company's management is currently assessing the impact of these amendments.

4 Contracts revenue

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Revenue from contracting services - recorded over time	959,181,412	604,464,165
Revenue from sale of building material – recorded at point in time	8,111,739	4,414,650
	967,293,151	608,878,815

The increase in revenue reflects the commencement of a major project in the second quarter of 2025, which had no impact on the three-month period ended 31 March 2025 and contributed to revenue during the three-month period ended 31 March 2026. The decrease in gross margin is attributable to the completion of certain high-margin projects during 2025, resulting in a return to normalized margin levels.

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4 Contracts revenue (continued)

The Company generated 10% or more of its contracts revenue from two customers which make up 72.2% of its revenues for the period ended 31 March 2025 (period ended 31 March 2025: 79.5% from five customers). The revenue is mainly from ministries and government backed projects. The revenue from such customers for the period ended 31 March 2025 (and revenue for such customers in period ended 31 March 2025) is as follows:

	31 March 2026		31 March 2025	
	(Unaudited)		(Unaudited)	
	Percentage	Saudi Riyals	Percentage	Saudi Riyals
Customer A	60.5%	584,935,678	0.0%	-
Customer B	11.7%	113,183,019	23.9%	144,185,049
Customer C	6.6%	63,474,562	11.5%	69,874,572
Customer D	5.0%	48,741,251	16.4%	99,080,882
Customer E	4.3%	41,391,560	12.5%	75,369,732
Customer F	0.4%	3,443,872	15.8%	95,485,810

5 Contracts cost

	For the three-month	
	period ended	
	31 March	31 March
	2026	2025
	(Unaudited)	(Unaudited)
Material Consumed	534,694,610	198,712,199
Subcontractors	70,096,111	98,691,891
Salaries, wages and benefits	49,755,963	40,139,280
Fines and government fees	25,505,573	13,275,533
Bank charges	9,298,024	1,588,325
Fuel	9,251,913	8,331,196
Consultation and professional fees	9,064,339	6,106,764
Rent - short term leases	8,805,097	10,007,003
Depreciation of property and equipment	7,809,111	6,503,380
Transportation	7,719,559	8,412,167
IT costs	2,669,169	325,112
Insurance	1,903,143	-
Utilities	1,816,322	915,941
Hospitality and buffet	837,198	650,225
Repair and maintenance	727,329	960,844
Research, laboratories and engineering plans	355,330	179,422
Depreciation of Right-of-use assets	118,910	311,650
Amortisation of intangible assets	53,618	37,954
Stationery	45,415	124,320
Others	-	108,371
	740,526,734	395,381,577

The increase in contract cost is primarily attributable to increase in material costs due to overall increase in business activity.

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6 Property and equipment

	1 January 2026 (Audited)	Additions	Disposals	31 March 2026 (Unaudited)
2026				
Cost				
Land	100,222,734	-	-	100,222,734
Buildings	24,140,261	-	-	24,140,261
Equipment and machinery	243,444,130	4,114,950	(2,275,000)	245,284,080
Office equipment	7,929,750	255,000	-	8,184,750
Tools	19,147,179	600,000	-	19,747,179
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	16,407,905	247,866	-	16,655,771
Vehicles	183,723,359	1,135,750	(2,859,908)	181,999,201
Capital work-in-progress	2,781,989	2,483,075	-	5,265,064
	600,623,112	8,836,641	(5,134,908)	604,324,845
Accumulated depreciation				
Buildings	9,844,923	352,725	-	10,197,648
Equipment and machinery	145,892,641	2,829,341	(599,100)	148,122,882
Office equipment	6,838,586	103,896	-	6,942,482
Tools	17,243,877	445,304	-	17,689,181
Concrete barriers	2,725,362	17,357	-	2,742,719
Furniture and fixtures	14,512,975	419,339	-	14,932,314
Vehicles	103,095,102	3,804,449	(1,941,526)	104,958,025
	300,153,466	7,972,411	(2,540,626)	305,585,251
	300,469,646			298,739,594
	1 January 2025 (Audited)	Additions	Disposals	31 December 2025 (Audited)
2025				
Cost				
Land	99,653,416	569,318	-	100,222,734
Buildings	23,896,361	243,900	-	24,140,261
Equipment and machinery	209,822,109	54,597,871	(20,975,850)	243,444,130
Office equipment	7,441,750	488,000	-	7,929,750
Tools	17,851,089	1,296,090	-	19,147,179
Concrete barriers	2,825,805	-	-	2,825,805
Furniture and fixtures	14,923,997	1,487,058	(3,150)	16,407,905
Vehicles	152,723,489	44,047,732	(13,047,862)	183,723,359
Capital work-in-progress	678,000	2,103,989	-	2,781,989
	529,816,016	104,833,958	(34,026,862)	600,623,112
Accumulated depreciation				
Buildings	8,446,645	1,398,278	-	9,844,923
Equipment and machinery	153,947,359	9,220,464	(17,275,182)	145,892,641
Office equipment	6,478,079	360,507	-	6,838,586
Tools	16,136,815	1,107,062	-	17,243,877
Concrete barriers	2,655,936	69,426	-	2,725,362
Furniture and fixtures	12,842,777	1,670,521	(323)	14,512,975
Vehicles	102,375,955	13,427,309	(12,708,162)	103,095,102
	302,883,566	27,253,567	(29,983,667)	300,153,466
	226,932,450			300,469,646

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7 Trade and other receivables

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Progress receivable	1,195,891,165	1,050,174,565
Retention receivable	282,388,305	268,095,582
	1,478,279,470	1,318,270,147
Less: ECL allowance	(24,391,535)	(38,415,852)
	1,453,887,935	1,279,854,295

The increase in the trade and other receivables is due to increase in the business activity. The receivable balances are in the ordinary course of business and credit risk associated with such balances is calculated as below.

At 31 March 2026, 79.3% of accounts receivable and contract assets were due from five customers (31 December 2025: 77.7% from five customers).

- (a) The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for trade and other receivables.

For the trade receivables, the ECL allowance as at 31 March 2026 and 31 December 2025 was determined as follows:

31 March 2026	Not due	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
Expected loss Rate	0.65%	1.49%	3.87%	7.58%	-	11.57%	
Gross carrying amount	852,439,409	211,737,338	14,230,456	7,247,155	-	110,236,807	1,195,891,165
ECL allowance	5,535,800	3,165,122	551,198	549,574	-	12,755,992	22,557,686

31 December 2025	Not due	0-90 days	91-180 days	181-270 days	271-365 days	Over 365 days	Total
Expected loss rate	1.03%	2.68%	6.00%	-	14.98%	15.12%	
Gross carrying Amount	694,925,681	177,208,188	35,164,310	-	1,475,743	141,400,643	1,050,174,565
ECL allowance	7,187,840	4,750,574	2,109,467	-	221,109	21,373,861	35,642,851

Movement in ECL allowance is as follows:

	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
At the beginning of the period / year	38,415,852	48,477,278
Reversal for the period/ year	(14,024,317)	(10,061,426)
At the end of the period/ year	24,391,535	38,415,852

The decrease in the ECL allowance for the three-month period ended 31 March 2026 is primarily due to collections made by the Company during the period, a significant portion of which related to receivables aged over 365 days. As at 31 December 2025, the balance of receivables in this aging category stood at Saudi Riyals 141 million, which declined to Saudi Riyals 110 million by 31 March 2026. This reduction, along with lower loss rates resulting from improved collections, contributed to a lower ECL allowance as at 31 March 2026. Consequently, a reversal of ECL allowance was recognized during the three-month period ended March 2026. ECL allowance on retention amounted to Saudi Riyals 1.8 million (2025: Saudi Riyals 2.8 million).

Management monitors concentration of credit risk at both customer and project levels. As at the reporting date, a significant portion of trade receivables relates to one major project, which reflects the size and stage of execution of that project rather than an elevated credit risk. This concentration arises from the normal timing of billings and collections under large-scale construction contracts.

As at 31 March 2026, the receivable balance from this customer amounts to approximately Saudi Riyals 405 million, 100% of which is within the current ageing bucket. The favorable ageing profile, together with the customer's credit quality, the Company's strong historical collection experience, and ongoing coordination and certification processes, provides management with assurance over the recoverability of these balances.

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7 Trade and other receivables (continued)

Beyond this project, the Company's receivables base relates to a diversified portfolio of projects across multiple customers, with the majority of such projects being in relatively early stages of execution. In addition, management continues to secure new contracts, further diversifying the customer base over time.

- (b) The net carrying amounts of the Company's trade and other receivables are denominated in Saudi Riyals.
- (c) The Company does not hold any collateral as security.

8 Contract assets and Contract liabilities

	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Cumulative value of work executed	14,045,061,349	13,677,681,927
Less: progress billings	<u>(11,720,336,060)</u>	<u>(11,488,248,465)</u>
	2,324,725,289	2,189,433,462
Less: Contract liabilities	<u>(691,026,617)</u>	<u>(772,421,727)</u>
	1,633,698,672	1,417,011,735
Less: ECL allowance	<u>(10,609,224)</u>	<u>(14,656,609)</u>
	<u>1,623,089,448</u>	<u>1,402,355,126</u>

The gross balance of Contract liabilities as at 31 March 2026 amounted to Saudi Riyals 938.8 million (2025: Saudi Riyals 969.6 million), of which Saudi Riyals 691.0 million was netted off against contract assets as at 31 March 2026 (2025: 772.4 million). Contract balances are reported as net assets or liabilities at the contract level in accordance with IFRS 15. Advances against contracts where work has not yet commenced amounted to Saudi Riyals 278.7 million (2024: 197.2 million) which are presented gross on the face of the statement of financial position.

Movement in contract assets and liabilities is as follows:

	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Contract assets as at 1 January	2,189,433,462	1,980,841,666
Revenue	959,181,412	3,507,587,530
Transfers to billings	<u>(823,889,585)</u>	<u>(3,298,995,734)</u>
Net balance as at period/ year	<u>2,324,725,289</u>	<u>2,189,433,462</u>

	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Contract liabilities at 1 January	969,662,070	278,500,165
Advances received during the year	-	923,456,785
Excess billings over performance during the period	38,002,918	-
Transfers to billings	<u>(68,859,100)</u>	<u>(232,294,880)</u>
	938,805,888	969,662,070
Less contract assets	<u>(691,026,617)</u>	<u>(772,421,727)</u>
Net balance as at period/ year	<u>247,779,271</u>	<u>197,240,343</u>

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8 Contract assets and Contract liabilities (continued)

The net balance as at period/ year reported above comprise of:

	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Contract assets, before ECL allowance	1,633,698,672	1,417,011,735
Contract liabilities	<u>(247,779,271)</u>	<u>(197,240,343)</u>
	1,385,919,401	1,219,771,392

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected credit loss allowance for trade and other receivables and contract assets. As the contract assets are all unbilled, the Company has used an expected loss rate of 0.65% as at 31 March 2026 (31 December 2025: 1%) which is equal to the loss rate for 'Not due' bucket in note 7.

Movement in ECL allowance is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period/ year	14,656,609	27,528,224
Reversal for the period/ year	<u>(4,047,385)</u>	<u>(12,871,615)</u>
At the end of the period/ year	10,609,224	14,656,609

The increase in contract assets as at 31 March 2026 is mainly attributable to the recognition of revenue on ongoing projects in advance of billing, driven by increased construction activity during the period. Movements in contract liabilities primarily reflect advances received from customers and excess billings over performance on certain contracts, in line with the underlying contract terms.

9 Prepayments, advances and other receivables

	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Advances to suppliers and subcontractors	258,147,676	261,791,543
Bank guarantees and letter of credits	4,030,579	6,509,632
Advances to employees	2,186,573	1,475,499
Other receivables	<u>3,810,108</u>	<u>3,685,263</u>
	268,174,936	273,461,937

The decrease in prepayments is primarily due to the utilization of advance payments made to suppliers and subcontractors as projects progressed during the period. This decline reflects the settlement of advances related to materials and services for ongoing projects.

10 Cash and cash equivalents

	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Cash at banks	241,507,282	590,167,362
Deposits at call	<u>279,556,722</u>	<u>189,346,074</u>
	521,064,004	779,513,436

Deposit at call as at 31 March 2026, represent deposits amounting to Saudi Riyals 279.6 (31 December 2025: Saudi Riyals 189.3) which were placed with a local commercial bank, with original maturity period of less than three months and carry market rate of interest.

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11 Share capital

The authorised, issued and fully paid share capital of the Company as of 31 March 2026 consisted of 800,000,000 shares amounting to Saudi Riyals 1 per share (31 December 2025: 800,000,000 shares stated at Saudi Riyals 1 per share) with total share capital amounts to Saudi Riyals 800,000,000 and owned as follows:

	Nationality	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Mutlaq Damouk Al-Ghowairi	Saudi	52.50%	52.5%
Terad Damouk Al-Ghowairi	Saudi	22.50%	22.50%
Mutlaq Mohamed Al-Ghowairi	Saudi	4.20%	4.20%
Abdulmajid Mohamed Al-Ghowairi	Saudi	2.40%	2.40%
Abdulmohsen Mohamed Al-Ghowairi	Saudi	2.40%	2.40%
Nayef Mohamed Al-Ghowairi	Saudi	2.40%	2.40%
Abdullah Mohamed Al-Ghowairi	Saudi	2.40%	2.40%
Moudi Ajmi Al-Otaibi	Saudi	1.90%	1.90%
Reem Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Asmaa Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Shatha Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Wafaa Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Nouf Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Nada Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Noura Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
Hind Mohamed Al-Ghowairi	Saudi	1.20%	1.20%
		100%	100%

12 Trade payables

	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Commercial suppliers	396,413,728	322,643,871
Subcontractors	73,054,661	84,433,477
	469,468,389	407,077,348

The increase in trade payables as at 31 March 2026 is mainly attributable to higher procurement of materials in connection with the increase in construction activities following the commencement of a major project in the second quarter of 2025, which had no impact on the three-month period ended 31 March 2025.

13 Accrued expenses and other payables

	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Value Added Tax payable	134,291,296	177,992,180
Accrued expenses	313,875,219	401,511,868
Other credit balances	566,600	100,680
	448,733,115	579,604,728

The decrease in accrued expenses is mainly attributable to the settlement and invoicing of previously accrued material and subcontract works relating to project contracts entered into during 2025. These accruals were reversed during the three-month period ended 31 March 2026 upon receipt of supplier invoices and completion of related work, resulting in a reduction in accrued expenses and associated payables.

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14 Zakat

14.1 Components of approximate zakat base

The Company is subject to zakat. The significant components of the zakat base comprised of shareholders' equity, provisions at the beginning of period/year, and adjusted net income, less deduction for the net book value of property and equipment, and certain other items.

14.2 Zakat

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period/ year	97,977,031	99,141,300
Charge during the period/ year	16,445,549	65,616,314
Paid during the period/ year	(65,616,313)	(66,780,583)
	48,806,267	97,977,031

The movement in the zakat provision during the period reflects the zakat payments, partially offset by the zakat charge recognised for the three-month period ended 31 March 2026.

14.3 Status of certificates and final assessments

The Company filed its zakat returns and obtained zakat certificates for all the years up to 2025. The Company has obtained its final assessments for all years up to 2018. On 28 April 2024 the Company has obtained its final assessment from ZATCA with an additional assessment with an amount of Saudi Riyals 3.5 million which has been paid on 29 May 2024. The Company has not received any assessments for the years from 2019 to 2024.

15 Related parties

Related parties are key shareholders, directors and key management personnel, entities under common control and other related entities of the Company. The terms of these transactions have been approved by the Company's management. The following are the most significant transactions with related parties and the resulting balances:

(a) Related party transactions

Name of related party and relationship	Nature of transaction	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Al khotoot AL Naqilah Company (Entity under common control)	Construction work services	(24,198,393)	(22,435,035)
Al Ghowairi Al Watania Company (Entity under common control)	Construction work services	(4,838,389)	(12,062,964)
Hareskom (Entity under common control)	Security	(2,226,354)	-
Mohamed Damook Mutlaq Al Ghowairi Heirs (Shareholders)	Dividends Paid	-	25,000,000
	IPO expenses	260,224	-
Mutlaq Damook Mutlaq Al Ghowairi (Chairman of Board of Directors and ultimate controlling party)	Dividends Paid	-	52,500,000
	IPO expenses	1,961,245	-
Terad Damook Mutlaq Al Ghowairi (Deputy Chairman of the Board)	Dividends Paid	-	22,500,000
	IPO expenses	648,646	-

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15 Related parties (continued)

(b) Related party balances

Related party balances

Name of related party	Relationship	31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
<u>Due from related parties</u>			
Mutlaq Damook Mutlaq Al Ghowairi	Shareholder	7,853,043	5,891,798
Torad Damook Mutlaq Al Ghowairi	Shareholder	2,597,251	1,948,605
Mutlaq Mohamed	Shareholder	281,943	211,530
Naif Mohammed Al-Ghowairi	Shareholder	138,290	103,753
Abdullah Mohammed Al-Ghowairi	Shareholder	138,290	103,753
Wafa Mohammed Al-Ghowairi	Shareholder	69,336	52,020
Nada Mohammed Al-Ghowairi	Shareholder	69,336	52,020
Reem Mohammed Al-Ghowairi	Shareholder	68,954	51,733
Asma Mohammed Al-Ghowairi	Shareholder	68,954	51,733
Shaza Mohammed Al-Ghowairi	Shareholder	68,954	51,733
Noura Mohammed Damouk Al-Ghowairi	Shareholder	68,954	51,733
Hind Mohammed Al-Ghowairi	Shareholder	68,954	51,733
		11,492,259	8,622,144
<u>Due to related parties</u>			
Al Khotoot AL Naqilah Company - Trade payables	Entity under common control	27,339,065	30,951,362
Al Ghowairi Al Watania Company - Trade payables	Entity under common control	8,625,752	10,219,810
Harsskom Co. - Trade payables	Entity under common control	-	235,290
		35,964,817	41,406,462

The balances recorded as due from related parties as at 31 March 2026 and 31 December 2025 represent the amounts related to the expenses incurred by the Company in connection with the initial public offering (IPO) during the year ended 31 December 2025, being booked as receivable from the shareholders. IPO costs allocated to the listing transaction have been classified within general and administrative expenses, while costs attributable to the sale of shares have been recognised as receivables from shareholders and presented within due from related parties.

(c) Key management personnel compensation

The below disclosed amounts include Board of Directors' remuneration

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Salaries and other short-term employee benefits	1,739,472	4,178,240
Employee benefit obligations	229,355	140,711
	1,968,827	4,318,951

The amounts disclosed in the above table are the amounts recognized as an expense during the period related to key management personnel.

Terms and conditions of transactions with related parties

The transactions with related parties are at mutually agreed terms. Outstanding balances as at 31 March 2026 and 31 December 2025 are unsecured, interest free and are to be settled in cash. There have been no guarantees provided or received for any related party receivables or payables during the current period and prior year.

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16 Basic and diluted loss per share

Basic and diluted earnings per share ("EPS") is calculated by dividing the income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as the regular or basic earnings per share as the Company does not have any convertible securities or diluted instruments to exercise.

The following table reflects the income for the period attributable to ordinary equity holders and weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

	For the three-month period ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to the shareholders of the Company	202,014,668	109,471,029
Weighted average number of ordinary shares for basic and diluted earnings per share	800,000,000	800,000,000
	0.25	0.14

17 Dividends

For the three-month period ended 31 March 2025

On 29 Rajab 1446H (corresponding to 29 January 2025), the shareholders of the Company in their General Assembly Meeting approved dividends of Saudi Riyals 100.0 million (equivalent to Saudi Riyals 0.13 per share), which were settled on 30 January 2025.

For the three-month period ended 31 March 2026

No dividends were declared or paid by the Company during the three-month period ended 31 March 2026.

18 Segment reporting

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company and the executive management, which includes Chief Executive Officer and Chief Financial Officer.

The Company's operations are related to one operating segment which is contracting services. The Company's operations are conducted in the Kingdom of Saudi Arabia and information related to revenue from major customers is disclosed in note 4.

19 Fair value of assets and liabilities

As at 31 March 2026 and 31 December 2025, the fair values of the Company's financial instruments are estimated to approximate their carrying values since the financial instruments are short term in nature and are expected to be realized at their current carrying values within twelve months from the date of condensed interim statement of financial position.

20 Bank guarantees and commitments

At 31 March 2026, the Company was contingently liable for bank guarantees issued in the normal course of business amounting to Saudi Riyals 5,063.9 million (31 December 2025: Saudi Riyals 5,203.6 million).

There are various ongoing legal cases filed against the Company by former employees and third parties. The management of the Company has recorded appropriate provision based on the expected outcomes of such cases and believes that such cases would be resolved without any material impact on the financial statements of the Company.

The capital expenditure contracted by the Company as at 31 March 2026 was approximately Saudi Riyals 8.8 million (31 December 2025: Saudi Riyals 104.8 million).

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21 Geopolitical Events

During the interim period, geopolitical developments in the Middle East, including regional conflicts and security-related events, continued to evolve. Such events represent external factors beyond the Company's control and may give rise to increased uncertainty affecting the construction sector and the general economic and operating environment.

Management has assessed the potential impact of these developments on the Company's operations, ongoing projects, supply chains, and cost structures. As of the reporting date, the Company's operations continue without material disruption, and no construction contracts have been terminated or suspended as a direct result of these events.

These matters have been considered in management's application of critical accounting judgements and estimates, including estimates of costs to complete, project timelines, and the recoverability of contract assets and trade receivables. Based on management's current assessment, no material adverse impact on the Company's financial position, financial performance, or cash flows has been identified for the interim period.

The Company continues to monitor geopolitical developments closely and will reflect any material changes in assumptions, estimates, or disclosures in subsequent reporting periods, as required under applicable accounting and regulatory standards.

22 Subsequent event

Subsequent to the reporting period, on 4 April 2026, the Company terminated a subcontract agreement and a purchase agreement with a contractor (the "Contractor") engaged under an alliance agreement for the execution of design, procurement, and construction works on a project, due to a contractual breach. The subcontract agreement amounted to Saudi Riyals 912 million, and advance payments made to the Contractor amounted to Saudi Riyals 3.5 million. The Company has initiated procedures to exclude the Contractor from the alliance, with the steering committee issuing its exclusion decision on 22 April 2026, which becomes binding thirty days thereafter unless arbitration proceedings are initiated by the Contractor. The Company is evaluating alternatives to execute the scope of work previously assigned to the Contractor, either directly or through alternative parties. Also, the Company is assessing any financial impact as a result. As of the date of authorization of these interim condensed financial statements, the outcome and financial impact, if any, cannot be reliably estimated.



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