KINGDOM OF CAMBODIA

NATION RELIGION KING

PHNOM PENH WATER SUPPLY AUTHORITY

FIRST QUARTERLY REPORT 2026

MAJOR STRATEGIC GOALS OF THE PHNOM PENH WATER SUPPLY AUTHORITY

To expand water supply to Phnom Penh suburban and surrounding areas at the same rate and standard as in Phnom Penh analyze the costs and improve the process and procedure to reduce the water cost; to improve staff efficiencies and build the capacity of Authority; to maintain a strong commitment to social environmental responsibilities; to Strategically compare and benchmark the most-efficient water utilities in the world.

#45, Street 106, Sangkat Srah Chork,
Khan Daun Penh, Phnom Penh, Cambodia

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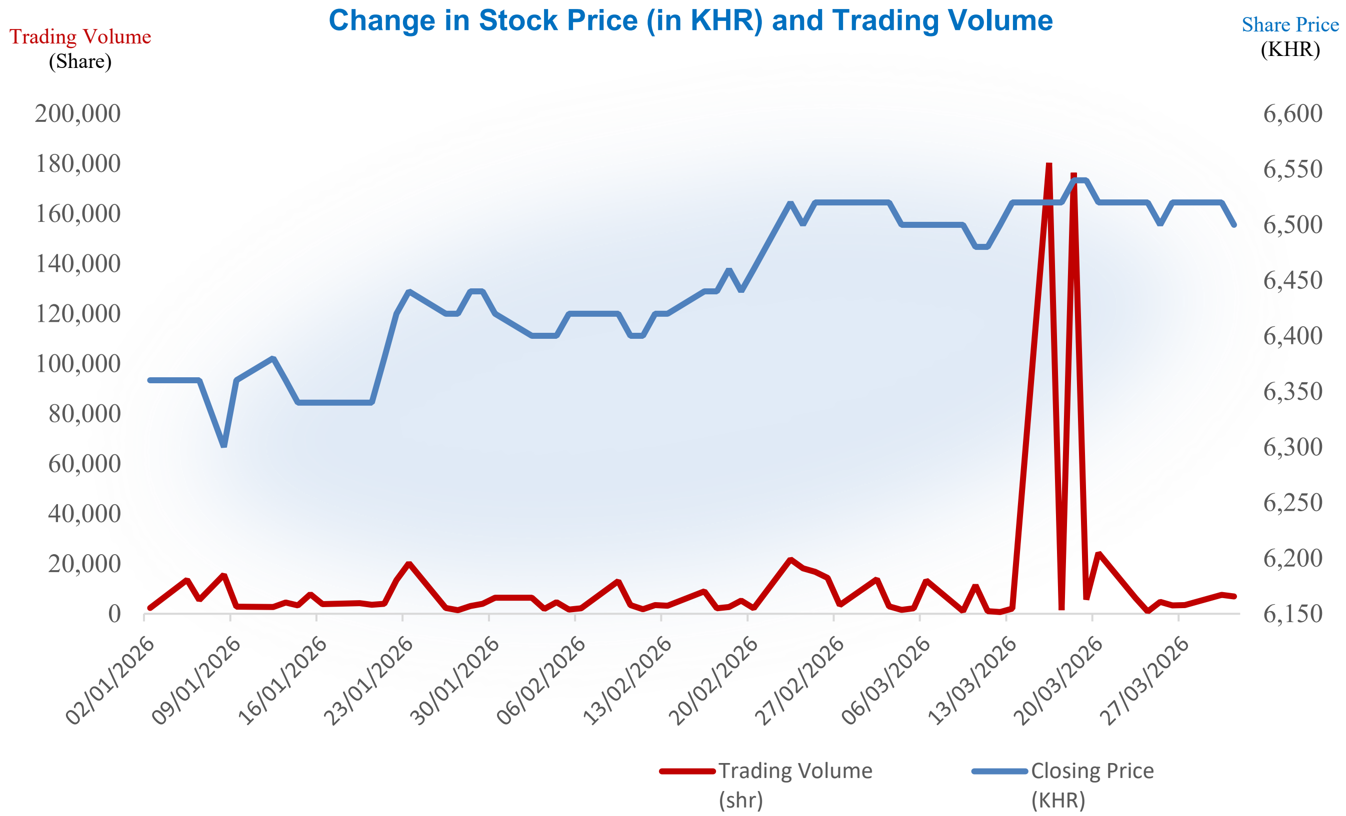
ir@ppwsa.com.kh

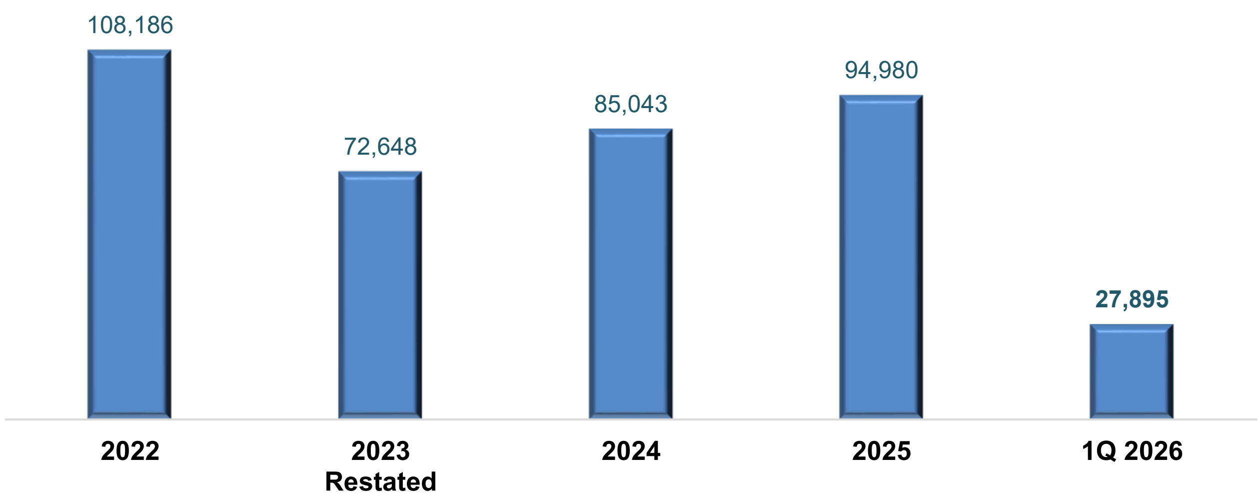
FINANCIAL HIGHLIGHTS

Financial Position		First Quarter of 2026	2025 (Restated)	2024 (Restated)
Total assets (KHR'000)		3,525,284,991	3,446,163,303	3,279,165,281
Total liabilities (KHR'000)		2,018,372,137	1,967,145,896	1,906,547,941
Total shareholders'equity (KHR'000)		1,506,912,854	1,479,017,407	1,372,617,340
Profit/(Loss)		**First Quarter of 2026**	**First Quarter of 2025 (Restated)**	**First Quarter of 2024**
Total Revenue (KHR'000)		96,259,081	82,622,871	106,811,513
Profit/(Loss) before tax (KHR'000)		34,919,783	27,461,849	62,821,339
Profit/(Loss) after tax (KHR'000)		27,895,447	22,695,430	52,092,429
Total comprehensive income (KHR'000)		27,895,447	22,695,430	52,092,429
Financial Ratios		**First Quarter of 2026**	**2025 (Restated)**	**2024 (Restated)**
Solvency ratio				
Liquidity Ratio	Current Ratio (Times)	0.22	0.25	0.38
	Quick Ratio (Times)	0.12	0.14	0.18
		First Quarter of 2026	**First Quarter of 2025 (Restated)**	**First Quarter of 2024**
Profitabilities Ratio	Return on Assets (%)	0.80	0.69	1.63
	Return on Equity (%)	1.87	1.64	3.67
	Gross Profit margin (%)	35.67	29.17	42.33
	Profit Margin (%)	28.98	27.47	48.77
	Earning Per Share (KHR)	320.74	260.95	598.95
Interest Coverage Ratio (Times)		7.45	5.05	24.55

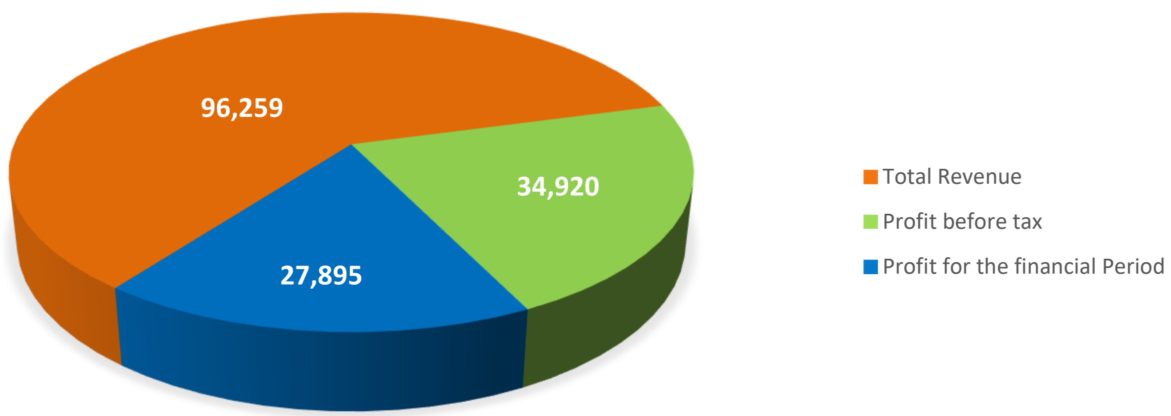
FINANCIAL SUMMARY CHARTS



PROFIT BY YEAR (in million KHR)



PROFIT FOR FIRST QUARTER OF 2026 (in million KHR)



BOARD OF DIRECTORS

H.E. EK SONNCHAN

Minister Delegate Attached to the Prime Minister

Chairman

H.E. In Sakan

Delegation of the Royal Government
and as Director General
Phnom Penh Water Supply Authority

Member

H.E. Mey Vann

Secretary of State,
Ministry of Economy and Finance

Member

H.E. Chhay Vireak

Deputy Governor of the
Board Governors of Phnom Penh

Member

Mr. Sok Nareth

Representative
of PPWSA's Employees

Member

Mr. Nam Channtry

Non-Executive Director
Representing Private Shareholders

Member

Mr. Sreng Samork

Independent Director

Member

H.E. EK SONNCHAN

Minister Delegate Attached to the Prime Minister

CHAIRMAN

CHAIRMAN'S STATEMENT

For the 1st Quarter of 2026

Dear Valued Shareholders,

On behalf of the Board of Directors and Phnom Penh Water Supply Authority, I have the honor to inform the public, especially all shareholders, about the operational results and development direction of PPWSA for the first quarter of 2026.

As the clean water supply service area continues to expand day by day, the demand for clean water has also continued to increase. Despite an increasingly busy business environment, PPWSA continues to firmly uphold the principles of good governance, transparency, accountability, and operational efficiency to ensure that it can fullfill its public mission sustainability and create long-term value for shareholders.

In the first quarter of 2026, PPWSA continued to focus on four key stragies:

1- Strengthening Governance and Accountability

The Board of Directors has identified the strengthening of governance as a top priority, based on enhancing the internal control system, risk management, performance measurement, and accountability at all levels.

We believe that good governance is the foundation for restoring and maintaining the trust of shareholders, customers, the public and all stakeholders, and is also a key factor for sutainable development.

2- Reducing Non-Revenue Water (NRW)

The management and reduction of NRW remains one of PPWSA's most important strategic indicators. In the first quarter of 2026, PPWSA achieved a NRW ratio of 24.63%, a decrease from 25.55% at the end of 2025.

Although this represents positive progress, the Board of Directors considers that this ratio remains higher than the levlel PPWSA should achieve. Therefore, PPWSA will continue to strengthen the management of District Metered Areas (DMA), leak detection, replacement of old and deeply buried pipes, and the improvement of commercial management in order to minimize water losses as much as possible.

3- Strengthening Asset Management

The Board of Directors considers PPWSA's assets to be valuable public assets that require professional management and a long-term vision. In this regard, PPWSA is promoting the preparation of a complete asset register, assessment of equipment conditions, preparation of preventive maintenance plans, and investment in the replacement of high-rike assets. Strengthening asset management will help increas the reliabilty of the water supply system, reduce emergency repair costs and ensure long-term service sustainability.

4- Strengthening Financial Transparency and Information Disclosure

The Board of Directors has clearly detemined that all financial and operational information must be accurate, complete, verifiable, and compliant with applicable regulations. We continue to promote improvements in quality, accountability, financial reporting, and public information disclosure to ensure that shareholders and stakeholders receive accurate and timely information.

The Board of Directors believes that transparency and integrity in reporting are the foundation of trust and an important factor in enhancing PPWSA's long-term value.

Acknowledgement

In conclusion, on behalf of the Board of Directors, I would like to express my sincere appreciation to the parent ministies, shareholders, customers, the public, development partners, relevant institutions, and all employees who have continued to provide trust and support to PPWSA.

We are committed to continuing the implementation of reforms based on the principles of "Good Governance, High Efficiency, Full Transparency, and Clear Accountability" to ensure that PPWSA becomes a leading clean water institution that provides quality, safe, and sustainable services to the people, while continuously creating value for shareholders and the nation.

Phnom Penh, July 15, 2026

CHAIRMAN

EK SONNCHAN

Content

PART1: General Information of PPWSA

A. Identity of the Phnom Penh Water Supply Authority

- Name in Khmer: រដ្ឋាករទឹកស្វយ័តក្រុងភ្នំពេញ (រ.ទ.ស.ភ)
- Name in Latin: Phnom Penh Water Supply Authority (PPWSA)
- Standard Code: KH1000010004
- Address: Office No.45, St. 106, Sangkat Srah Chork, Khan Daun Penh,Phnom Penh, Cambodia
- Phone number: (855)31 322 6345
- Website: www.ppwsa.com.kh Email: ir@ppwsa.com.kh
- Company Registration Number: Co.0839Et/2012 Date: March 27th, 2012
- License number: Sub-decree No. 52 ANKr.BK Issued by: The Royal Government of Cambodia Date: March 19th, 1996
- Disclosure document registration number by SERC: 012/12 SECC/SSR Date: March 23rd, 2012
- Representative: **H.E. In Sakan** Delegation of the Royal Government and as Director General Phnom Penh Water Supply Authority

B. Nature of Business

- Invest in, build, expand, operate, repair and maintain water supply and sanitation facilities.
- Take all the means to improve its production and service, and assure clean water quality to satisfy the requirements for living, businesses, services and industries. Engage in domestic or overseas business and services related to water and sanitation sectors due to the Board of Directors's resolutions and the existing laws.
- Enhance technical, commercial and financial corporations with local and international development partners to develop PPWSA in accordance with the Royal Government's policies.
- Maintain financial and operational sustainability pertaining to social interests.
- Expand water supply to Phnom Penh's suburban areas and surrounding regions at the same rate and standard as in Phnom Penh.
- Improve staff efficiency and continue to build the capacity of the enterprise.
- Analyze cost factors and reform processes and procedures to reduce water costs.
- Strategically compare with the most efficient water utilities in the world.
- Strong commitment to social and environmental responsibility.

C. Phnom Penh Water Supply Authority's Key Event

In the first quarter of 2026, PPWSA had no other key event to disclosed.

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

A.1. Water Treatment and Distribution System and Non-revenue water

A.1.1. Water Treatment

➢ **Below is the Water Treatment Plant (WTP)'s production in the First Quarter of 2026 :**

Water Treatment Plant	Water Source	Planned (m^3)	Actual (m^3)	Rate (%)
Phum Prek	Tonle Sap	12,655,500	12,194,344	96
Chroy Changvar	Upper Mekong River	11,054,600	10,739,350	97
Chamkar Mon	Tonle Bassac	4,632,200	3,655,848	79
Nirodh	Lower Mekong River	23,112,000	24,581,248	106
Bakheng	Upper Mekong River	25,336,600	29,172,612	115
Boeung Thom	Boeung Thom	381,100	398,646	105
Takhmao	Tonle Bassac	450,000	1,393,372	310
Mlech	Mlech Dam	120,100	107,724	90
Tbong Khmom	Boeung Tavan	167,900	172,575	103
TOTAL		**77,910,000**	**82,415,719**	**106**

➢ **Actual raw material and electricity usage for water production in the First Quarter of 2026 :**

Description	Water Treatment Plant									Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
PAC (Kg)	140,400	74,975	44,725	287,575	223,500	18,900	12,350	1,275	4,342	**808,042**
Salt (Kg)	0	43,500	115,333	0	275,850	0	21,400	0	0	**456,083**
Liquid chlorine (Kg)	0	7,203	20,829	0	77,604	0	7,361	0	0	**112,997**
Chlorine gas (Kg)	48,957	20,688	0	71,741	0	0	0	0	0	**141,386**
Chlorine powder (Kg)	0	0	0	0	0	4,920	0	732	1,099	**6,751**
Lime (Kg)	88,350	0	14,000	177,500	14,000	10,525	0	0	0	**304,375**
Electricity (kWh)	3,469,611	3,060,110	974,039	6,261,450	6,512,780	92,353	418,260	33,715	60,546	**20,882,864**

➢ **The quality of treated water at the water treatment plants and distribution networks:**

Parameters	Unit	CNDWQS	WHO	Water Treatment Plant									Distribution Pipes
				Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
Turbidity	NTU	≤5	≤5	0.30	0.12	0.18	0.24	0.09	0.53	0.05	0.29	0.32	**0.23**
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.62	7.87	7.72	7.62	7.85	7.63	7.58	7.14	7.51	**7.75**
Free Available Chlorine	mg/l	-	5	1.35	1.15	0.99	1.28	1.22	1.29	1.17	1.38	1.15	**0.43**
Total Available Chlorine	mg/l	-	-	1.58	1.25	1.16	1.44	1.36	1.44	1.41	1.51	1.35	**0.56**
Total coliforms	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0	**0**
E. Coli	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0	**0**

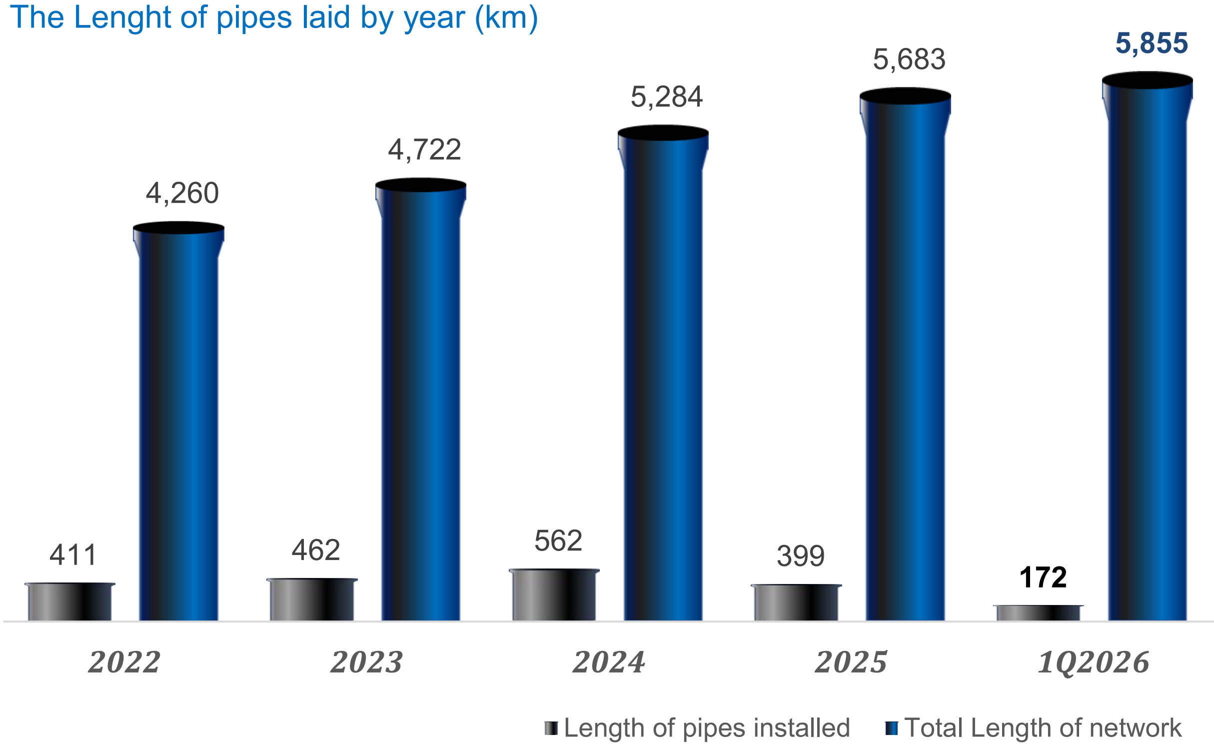
PART 2. Information on Business Operation Performance (Con't)

A. Business Operation Performance including business segments information (con't)

A.1. Water Treatment and Distribution System and Non-revenue water (con't)

A.1.2. Pipes Laying

The Lenght of pipes laid by year (km)



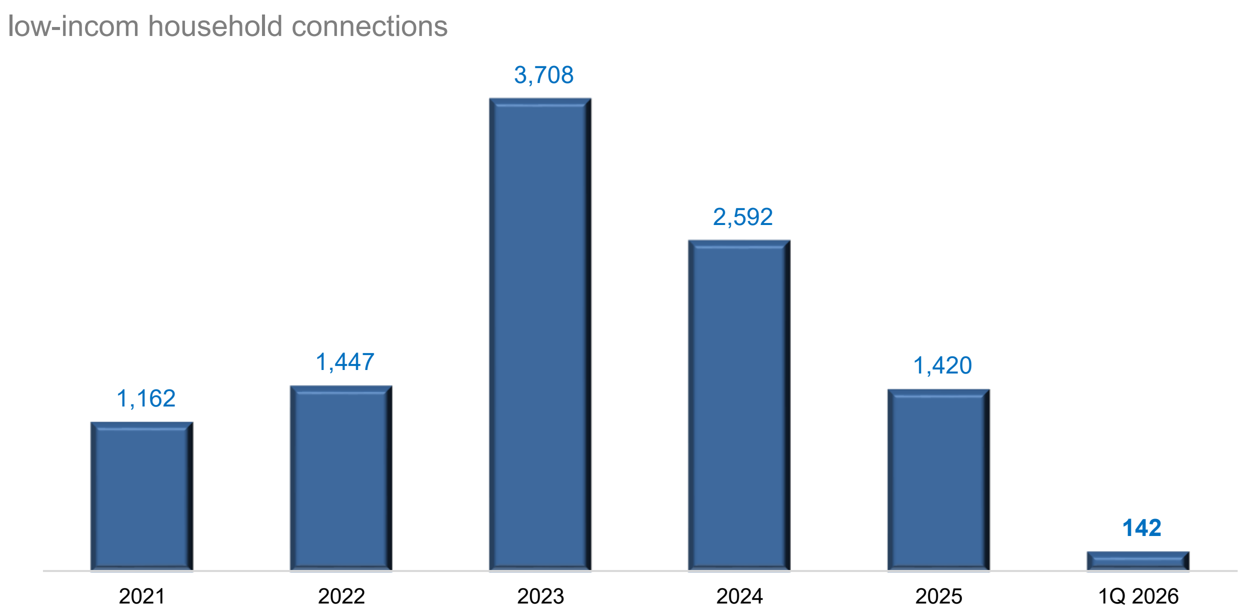
A.1.3. Non-revenue water

In the First Quarter of 2026 , PPWSA's non-revenue water rate was kept as following:

- Phnom Penh Capital and Takmao City: 26.72%.
- Kompot Province, Mlech WTP: 1.37%
- Tbong Khmom Province, Tbong Khmom WTP: 21.07%

A.2. Business Activities and Results

A.2.1. Water Supply to the low-income households



PART 2. Information on Business Operation Performance (Con't)

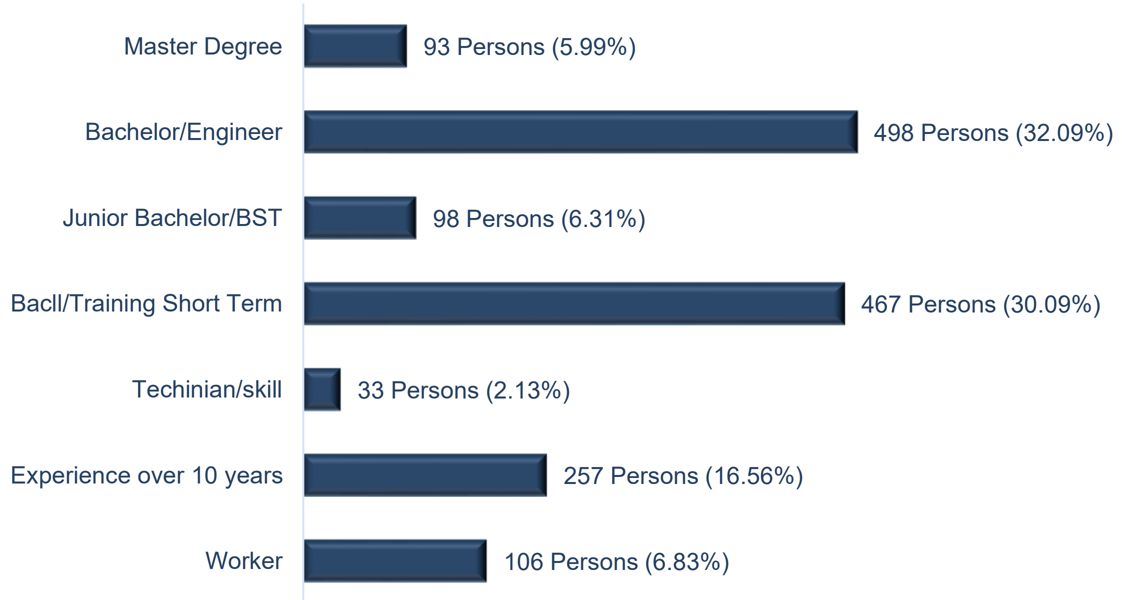
A. Business Operation Performance including business segments information (con't)

A.2. Business Activities and Results (con't)

A.2.2. House Connection and Customer Management

Type of Customers	2022	2023	2024	2025	1Q 2026	
	(Connections)	(Connections)	(Connections)	(Connections)	(Connections)	(%)
Domestic	360,948	381,752	397,479	412,332	**415,371**	**77.8783**
Commercial	83,874	89,702	97,234	107,467	**111,914**	**20.9829**
Administrative	913	918	840	853	**857**	**0.1607**
Wholesalers	9	6	6	4	**4**	**0.0007**
RDE Respresentative	5	3	3	4	**4**	**0.0007**
Standpipe	16	14	13	8	**6**	**0.0011**
Room rental	5,789	5,746	5,714	5,404	**5,203**	**0.9755**
TOTAL	**451,554**	**478,141**	**501,289**	**526,072**	**533,359**	

A.3- Human Resource Management



Total staff of PPWSA in Q1-2026: 1,552 persons (260 females)

B- Revenue Structure

No	Source of Revenue	First Quarter of 2026		First Quarter of 2025 (Restated)		First Quarter of 2024	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Revenue from contracts with customers	83,407,615	86.65	75,962,517	91.94	94,663,252	88.63
2	Construction Service fee	3,956,567	4.11	3,093,401	3.74	2,194,827	2.05
3	Foreign exchange gains - net	-	-	-	-	1,050,670	0,98
4	Other income	8,894,899	9.24	3,566,953	4.32	8,902,764	8.34
	Total revenue	96,259,081		82,622,871		106,811,513	

PART 3:
FINANCIAL STATEMENT
REVIEWED BY
THE EXTERNAL AUDITOR

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

31 MARCH 2026

AND

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

ATTACHED IN APPENDIX I

PART 4: Management's Discussion and Analysis

A. Overview of operations

1. Revenue analysis

PPWSA generates revenues from three main sources Revenue from contracts with customers, construction service fees and other incomes.

- Revenue from contracts with customers is generated from water consumption – domestic / households, commercial and industrial, administrative, rented rooms, and wholesalers. This revenue is reported net of discounts, allowances and credits and is recognized based on the volume of water supplied to the customers. Water bills are issued every two months.
- Construction service revenue is generated from the fees of construction services related to the expansion of the distribution network that PPWSA constructs for a construction company.
- Other revenues៖
  - Water meter maintenance revenue is generated from the monthly meter maintenance charge on a basis of KHR50 per 1 mm of water meter diameter. This revenue is used to cover the cost of future replacement of water meters for the customers.
  - Plumbing material sales revenue is generated from the sale of water meters, pipes and fittings.
  - Penalty fees is a revenue generated from penalties for customers' late payments penalties and illegal connections.
  - Interest income is the income from interest on fixed savings accounts in which the Authority deposited cash surplus at various commercial bank accounts.

In addition to revenues as above, PPWSA has revenue from commercial and industrial customers' investments for installing special network connections into their properties, and fees earned from collection of sewerage maintenance charges on behalf of Phnom Penh Municipality.

➢ The period ended 31 March 2026 compared to the period of 31 March 2025

Description	First Quarter of 2026 (KHR'000)	First Quarter of 2025 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	96,259,081	82,622,871	13,636,210	16.50

PPWSA had a total revenue of KHR96,259,081,000 for the period ended 31 March 2026 and KHR82,622,871,000 for the period ended 31 March 2025. The revenue increased by KHR13,636,210,000 or 16.50%. The main reason of this increase in revenue is due to revenue from contracts with customers increased by KHR7,445,098,000 or 9.80% and other income increased by KHR5,327,946,000 or 149.37% too.

2. Revenue analysis by segment

The analysis of PPWSA's revenue by segment are shown as below:

Description	First Quarter of 2026 (KHR'000)	%	First Quarter of 2025 (Restated) (KHR'000)	%
Revenue from contracts with customers	83,407,615	86.65	75,962,517	91.93
Construction Service fee	3,956,567	4.11	3,093,401	3.74
Other income	8,894,899	9.24	3,566,953	4.32
Total revenue	**96,259,081**		**82,622,871**	

PART 4: Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

2. Revenue analysis by segment (Con't)

The following are the only analysis of significant revenue streams by segment:

- The period ended 31 March 2026 compared to the period of 31 March 2025

Description	First Quarter of 2026		First Quarter of 2025		Changes		
	Volume (M^3)	Amount (KHR'000)	Volume (M^3)	Amount (KHR'000)	Volume (M^3)	Amount (KHR'000)	%
	a	b	c	d	a - c	b - d	(b-d)/d*100
Domestic	28,352,766	27,179,739	27,191,800	26,419,976	1,160,966	759,763	2.88%
Commercial	26,586,531	43,974,978	23,840,318	38,868,876	2,746,213	5,106,102	13.14%
Public administrative and autonomy	2,399,562	5,901,815	2,481,371	6,073,788	(81,809)	(171,973)	(2.83%)
Representative and room rental	3,088,855	2,230,075	3,114,815	2,220,400	(25,960)	9,675	0.44%

Revenue from domestic/household water sales

Revenue from domestic water sales amounted to KHR27,179,739,000 for the period ended of 31 March 2026 and KHR26,419,976,000 for the period ended of 31 March 2025, This represents an increase of KHR759,763,000 or 2.88%. This growth occurred despite a 0.12m³ decrease in monthly consumption per connection (from 24.81m³ to 24.69m³), and the average tariff also decreased by KHR12.99/m³ (from KHR971.62/m³ to KHR958.63/m³).

Revenue from commercial and industrial water sales (Commerce)

Revenue from commercial water sales amounted to KHR43,974,978,000 for the period ended of 31 March 2026 and KHR38,868,876,000 for the period ended of 31 March 2025, This represents an increase of KHR5,106,102,000 or 13.14%. This growth occurred despite a 1.10m³ decrease in monthly consumption per connection (from 83.31m³ to 82.21m³) , which was offset by an increase in the average tariff of KHR23.65/m³ (from KHR1,630.38/m³ to KHR1,654.03/m³).

Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR5,901,815,000 for the period ended of 31 March 2026 and KHR6,073,788,000 for the period ended of 31 March 2025, This represents a decrease of KHR171,973,000 or 2.83%. The reason of decreased is that the monthly water consumption per connection decreased by 56.86% (from 960.65m³ to 903.79m³) and the average tariff remained flat at KHR2,500/m³.

Revenue from water sales for representatives and rented rooms

Revenue from representative and rent rooms water sales amounted of KHR2,230,075,000 for the period ended of 31 March 2026 and KHR2,220,400,000 for the period ended of 31 March 2025, This represents an increase of KHR9,675,000 or 0.44%. The reason of increased is that the monthly water consumption per connection increased by 12.33m³ (from 186.17m³ to 198.50m³, and the average tariff also increase by KHR9.12/m³ (from KHR712.85/m³ to 721.97/m³).

PART 4: Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

3. Gross profit margin analysis

PPWSA prepared and presented its income statements by nature, without showing gross profit. However, this presentation enables discussions and analyses on the operating profit which is calculated by subtracting operating expenses from total income.

The details of the operating expenses will be discussed in Item "a-4" below.

4. Profit before tax

Profit before tax is derived from the subtraction of operating expenses from the gross revenues and net finance income (expenses). In discussing and analysis the operating expenses, we considered the total expenses as follows.

- The period ended 31 March 2026 compared to the period ended 31 March 2025

Description	First Quarter of 2026 (KHR'000)	First Quarter of 2025 (Restated) (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	96,259,081	82,622,871	13,636,210	16.50%
Salaries,Wages and related expenses	(20,224,129)	(19,445,487)	(778,642)	4.00%
Depreciation and amortisation charges	(16,448,224)	(15,110,888)	(1,337,336)	8.85%
Electricity costs	(11,002,489)	(11,297,423)	294,934	(2.61%)
Raw materials for water treatment	(4,592,693)	(3,923,705)	(668,988)	17.05%
Construction service expenses	(3,017,612)	(2,496,226)	(521,386)	20.89%
Finance income	5,194,059	8,129,258	(2,935,199)	(36.11%)
Finance costs	(4,610,437)	(4,768,247)	157,810	(3.31%)
Profit before tax	**34,919,783**	**27,461,849**	**7,457,934**	**27.16%**

PPWSA earned profit before tax of KHR34,919,783,000 for the period ended 31 March 2026 and profit before tax of KHR27,461,849,000 for the period ended 31 March 2025, increased by KHR7,457,934,000 or 27.16%. The main reason of this increase is due to total revenue increased by KHR13,636,210,000 or 16.50% and finance costs decreased by KHR157,810,000 or 3.31%.

5. Profit for the financial year

Under the Law on Commercial Enterprises, in the context of duties and taxes, PPWSA had to pay annual taxes at the rate of 20%. This 20% tax is calculated by applying the 20% tax rate on the taxable profit.

PART 4: Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

5. Profit for the financial year (Con't)

➢ The period ended 31 March 2026 compared to the period ended 31 March 2025

Description	First Quarter of 2026 (KHR'000)	First Quarter of 2025 (Restated) (KHR'000)	Changes	
			(KHR'000)	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	34,919,783	27,461,849	7,457,934	27.16%
Income tax expense (b)	(7,024,336)	(4,766,419)	(2,257,917)	47.37%
Profit for the financial period	27,895,447	22,695,430	5,200,017	22.91%
Total comprehensive income for the financial year	27,895,447	22,695,430	5,200,017	22.91%
Effectve tax reate (b)/(a)	20.12%	17.36%		

PPWSA earned profit for the financial period of KHR27,895,447,000 for the period ended of 31 March 2026 and KHR22,695,430,000 for the period ended 31 March 2025, increased by KHR5,200,017,000 or 22.91%. The main reason of this increase is due revenue from contracts with customers increased by KHR7,445,098,000 or 9.80% and other income increased by KHR5,327,946,000 or 149.37% too.

6. Analysis of factors and trends analysis affecting financial conditions and results

The uncertain state of the world economy continues to affect the economic growth in the economy globe and in the region as well. However, PPWSA continues to operate daily and remains profitable in the First Quarter of 2026 . The reason the Authority could secure this profit is that water sales increased quarter on quarter, with the supporting factors as below:

- **Increasing the customer base:** To generate revenues from water sales, PPWSA increased its customer base, expanding its service coverage to unserved areas by filling up its coverage with distribution networks in Phnom Penh and its surrounding areas, in particular, the economically potential zones.
- **Increase in average water tariff:** Finding new commercial and industrial customers increased PPWSA's average water tariff because the tariff for this customer category is higher than that of other customer categories.
- **Operating expenses management:** PPWSA managed these expenses, especially the electricity, raw material consumption cost which is huge expense in the water treatment process, through the introduction of new technologies such as variable speed distribution pumps unnecessary as well as the efficient and economical use of raw materials in water treatment.

For operating expenses, PPWSA tried to lessened the expenditures, especially, on administration and maintenance. In this regard, the Authority regularly inspected and maintained all the existing equipment and facilities to assure their quality and reduce other repair expenses.

A- Overview of operations (Con't)

6. Analysis of factors and trends analysis affecting financial conditions and results (Con't)

- Strict practices in procurement process: PPWSA has strictly adhered to applicable laws, regulation and other guidelines in relation to the procurement process for purchases of material and raw materials. This process is transparent and encourages market price competition, which allows PPWSA to make low cost purchases, without neglecting quality.
- Cash management: With the above high collection ratio 99.90%, PPWSA was capable enough to manage its cash efficiently. With this, PPWSA reserved cash as working capital for two to three months, and invested available cash in short-term fixed deposits at commercial banks with high interest rates. PPWSA also scrutinizes risks and benefits associated with the high interest rates.
- Selection of low-rate financiers: Due to the increasing water demand, PPWSA is in need of finance for its investment projects, such as construction of WTPs, and laying of transmission and distribution pipes. PPWSA has sought international development partners such as AFD to get the low-interest-rate financing.
- Economic situation: The economy in the globe as well as in the region was not in good conditions in the First Quarter of 2026 . The real estate and tourism sector in Cambodia is not in a good situation either, but has been affected to some extent by the global economic situation, PPWSA is still striving to maintain a good average water price, ensuring its financial sustainability.

B. Significant Factors Affecting Profit

1. Demand and supply conditions analysis

According to a study of water demand relative to population growth in Phnom Penh and due to the expansion of Phnom Penh surrounding areas, PPWSA continued construction Bakheng WTP - Phase 3 with the production capacity of 195,000 m^3/day which is scheduled to be completed in the Fourth Quarter of 2027, respectively.

2. Raw materials price analysis

Changes in prices of raw materials for water treatment might slightly affect the production cost because the portion of this cost is not higher than 10% of the operating expenses. However, PPWSA adhered very strictly to the procurement procedures to ensure the conformity of raw material prices to market prices, and this procedure allows PPWSA to obtain low competitive prices.

3. Tax analysis

Under the Law on Commercial Enterprises, in the context of duties and taxes, PPWSA is obliged to pay duties and taxes as stipulated in the existing laws and regulations. PPWSA is required to pay taxes under the real regime tax system and is a large taxpayer determined by the General Department of Taxation.

4. Exceptional and extraordinary items analysis

At the end of the period ended 31 March 2026, the management believes that PPWSA does not have any unusual and extraordinary elements.

PART 4: Management's Discussion and Analysis (Con't)

C. Material changes in sales and revenues

PPWSA's main revenues are the revenue from contracts with customers (water sales and connection fees) which is a basic need of Phnom Penh residents. The water sales represented about 86.65% of gross revenue in First Quarter of 2026 . PPWSA is also the monopoly water supplier in Phnom Penh and its outskirts. Revenues may grow, according to the demography of Phnom Penh capital, province town of the Takhmao.

D. Impact of foreign exchange, interest rates and commodity prices

D.1. Impact of exchange rate

The PPWSA maintains its accounting records using the Khmer Riel as its functional currency. Transactions in foreign currencies are converted into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions, as well as the translation of foreign currency assets and liabilities, are recorded in the statement of profit and loss. Since the PPWSA has financing in foreign currencies, fluctuations in exchange rates also impact its profit and loss results. However, regarding the payment for goods, most of the PPWSA's transactions are conducted in Riel; therefore, there is no significant impact from exchange rate fluctuations in this regard.

D.2. Impact of interest rates

D.2.1. Impact of interest rate on interest income

Due to the absence of a currency market in Cambodia, PPWSA could afford only short-term investments in 9-12 months fixed deposits at local commercial banks.

D.2.2. Impact of interest rate on interest expense

The PPWSA utilizes four sources of financing, which consist of both fixed and variable interest rates. Fixed Interest Rate Financing with fixed interest rates includes: Asian Development Bank (ADB) Obtained through the Ministry of Economy and Finance, with an interest rate of 1.65% per annum. Japan International Cooperation Agency (JICA) with an interest rate of 0.66% per annum. French Development Agency (AFD): With interest rates ranging between 0.90% and 2.30% per annum.

Financing with a variable (floating) interest rate includes: European Investment Bank (EIB).

D.3. Impact of prices

Through PPWSA's procurement procedure in compliance with the existing laws and regulations, as well as other guidelines, the Authority has to sign contracts with suppliers at a competitive or negotiable price. The protracted war between Russia and Ukraine and Global conflict has pushed up the prices of raw materials in domestic and foreign markets due to rising prices of materials and raw materials have also affected PPWSA's investment and operating costs. However, despite the increase in the cost of materials and raw materials, the management has carefully considered the plan and the needs for raw materials to ensure the timely and affordable use pursuant to the applicate public procurement laws.

E. Impact of inflation

PPWSA's water tariff remained unchanged from 2001 to 2019. To adjust to the variations in inflation, PPWSA has been implementing the revised tariff since 1 January 2020, and maintained better financial stability.

PART 4: Management's Discussion and Analysis (Con't)

F. Economic, Fiscal and Monetary Policies of the Royal Government

PPWSA's business was influenced by a number of the government policies such as:

- **Service coverage expansion:** Further expansion of the water service coverage is restricted due to PPWSA's mission that allows water production and distribution to the public in Phnom Penh only. This restriction is stipulated in Sub-decree No. 52 ANKR.BK, dated 19 March 1996, on the Establishment of PPWSA.
- **Enlargement of Phnom Penh area:** The Royal Government had a policy to enlarge the Phnom Penh area by integrating 20 additional communes into Phnom Penh, which expanded PPWSA service coverage.
- **Immovable property tax policy:** Ministry of Economy and Finance (MEF) has put into force PRAKAS No. 493 សហវ.ប្រក, dated 19 July 2010, on Immovable Property Tax Collection. PPWSA's immovable properties are used to process the water treatment facilities, and tax-exempt according to MEF's Notification No. 006 សហវ.អពដ, dated 18 May 2011.

PART 5: Other Necessary Information for Investor Protection

In the first quarter of 2026, PPWSA had no other necessary information to disclose.

SIGNATURE OF DIRECTORS OF
PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, July 15, 2026

Read and Approved

Signature

EK SONNCHAN

Chairman of the Board

Phnom Penh, July 15, 2026

Read and Approved

Signature

In Sakan

Director

APPENDIX I

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

31 MARCH 2026

AND

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

PHNOM PENH WATER SUPPLY AUTHORITY

Condensed Interim Financial Statements
for the three-month
period ended 31 March 2026
and
Independent Auditors' Report on Review of
Condensed Interim Financial Statements

Phnom Penh Water Supply Authority

Contents

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim financial statements of Phnom Penh Water Supply Authority ("PPWSA" or the "Company"), which comprises the condensed interim statement of financial position as at 31 March 2026, and the related condensed interim statement of profit or loss and other comphrehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the condensed interim financial statements, are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, Interim Financial Reporting.

Signed in accordance with a resolution of the Board of Directors,

Ek Sonnchan
Chairman of the Board of Directors

In Sakan
Director General

Deng Polyden
Deputy Director General
in charge of Finance

Phnom Penh, Kingdom of Cambodia

Date: 14 July 2026

KPMG

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Phnom Penh, Cambodia
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THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Phnom Penh Water Supply Authority

Introduction

We have reviewed the accompanying condensed interim financial statements of Phnom Penh Water Supply Authority ("PPWSA" or "the Company"), as set out on pages 5 to 31 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 31 March 2026;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026;
- the condensed interim statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed interim statement of cash flows for the three-month period ended 31 March 2026; and
- other explanatory notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Cambodian International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. 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 Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Basis for Qualified Conclusion

The Company has not assessed or quantified the accounting implications arising from certain post-employment benefit arrangements provided to current and former employees, including a lump-sum retirement benefit equivalent to six months of final salary upon retirement and continuing monthly payments to 109 eligible retired employees for the remainder of their lives. As a result, no liability, expense or related disclosures have been recognised in the condensed interim financial statements in respect of these arrangements. Furthermore, certain items of property, plant and equipment relating to the Bakheng Water Production Facilities Phase 1 and Phase 2 projects that were completed and available for use have not been depreciated.

The financial effects of the above matters have not been determined. In the absence of sufficient information to quantify those effects, it was not practicable to obtain review evidence through the performance of additional review procedures or alternative means. Accordingly, we were unable to determine whether any adjustments to employee benefit liabilities, employee benefit expense, property, plant and equipment, depreciation expense, related tax, retained earnings and the related disclosures in the condensed interim financial statements were necessary.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the Cambodian International Accounting Standard 34, "Interim Financial Reporting".

Emphasis of Matter – Comparative Information

We draw attention to Note 20 to the condensed interim financial statements which indicates that the comparative information presented as at 31 December 2025 and 1 January 2025, and for the three-month period ended 31 March 2025 has been restated. Our conclusion is not further modified in respect of this matter.

Other Matter Relates to Comparative Information

The Company's condensed interim financial statements for the three-month period ended 31 March 2025 and financial statements for the years ended 31 December 2025 and 2024 (not presented herein), excluding the adjustments described in Note 20 to the condensed interim financial statements, were reviewed and audited by another firm of auditors who expressed an unmodified conclusion and unmodified opinions on those financial statements on 14 July 2025, 7 April 2026 and 28 May 2025, respectively.

As part of our review of the condensed interim financial statements for the three-month period ended 31 March 2026, we reviewed the adjustments described in Note 20 that were applied to restate the comparative information presented as at 31 December 2025 and 1 January 2025, and for the three-month period ended 31 March 2025. We were not engaged to review or apply any procedures to the condensed interim financial statements for the three-month period ended 31 March 2025 or the financial statements for the years ended 31 December 2025 and 2024 (not presented herein), other than with respect to the adjustments described in Note 20 to the condensed interim financial statements. Accordingly, we do not express a conclusion or any other form of assurance on those respective financial statements taken as a whole. However, based on our review, nothing has come to our attention that causes us to believe that the adjustments described in Note 20 are not appropriate or have not been properly applied.

For **KPMG Cambodia Ltd**

KPMG CAMBODIA LTD.

Yim Lundy
Engagement Partner

Phnom Penh, Kingdom of Cambodia

14 July 2026

Phnom Penh Water Supply Authority

Condensed interim statement of financial position
as at 31 March 2026

	Note	31 March 2026 KHR'000	31 December 2025 KHR'000 *(Restated)*	1 January 2025 KHR'000 *(Restated)*
ASSETS				
Non-current assets				
Property, plant and equipment	4	3,215,638,025	3,162,986,393	2,939,664,426
Intangible assets		9,686,334	8,287,336	9,080,507
		3,225,324,359	3,171,273,729	2,948,744,933
Current assets				
Inventories		128,183,512	127,019,755	144,235,770
Trade and other receivables		31,749,770	17,941,570	27,537,927
Contract assets	10	26,704,457	35,665,659	37,586,190
Loan to employees		3,385,893	3,425,716	3,894,589
Short-term investments	5	68,118,783	66,661,827	94,961,360
Current tax assets		6,475,604	-	3,797,846
Cash and bank balances		35,342,613	24,175,047	18,406,666
		299,960,632	274,889,574	330,420,348
TOTAL ASSETS		3,525,284,991	3,446,163,303	3,279,165,281
EQUITY AND LIABILITIES				
Equity				
Share capital		636,601,984	636,601,984	620,759,107
Reserves	6	739,747,415	739,747,415	713,236,157
Retained earnings		130,563,455	102,668,008	38,622,076
TOTAL EQUITY		1,506,912,854	1,479,017,407	1,372,617,340

Phnom Penh Water Supply Authority

Condensed interim statement of financial position (continued)
as at 31 March 2026

	Note	31 March 2026 KHR'000	31 December 2025 KHR'000 *(Restated)*	1 January 2025 KHR'000 *(Restated)*
LIABILITIES				
Non-current liabilities				
Borrowings	7	418,963,810	422,754,225	443,727,099
Deferred government and other grants	8	72,235,993	72,738,240	72,625,961
Deferred tax liabilities		110,774,807	106,860,485	97,602,134
Other payables	9	98,889,238	111,588,949	88,950,566
		700,863,848	713,941,899	702,905,760
Current liabilities				
Trade and other payables	9	150,979,011	86,511,749	212,443,546
Borrowings	7	1,165,393,073	1,158,455,758	986,892,283
Contract liabilities	10	1,136,205	5,791,093	4,306,352
Current income tax liabilities		-	2,445,397	-
		1,317,508,289	1,253,203,997	1,203,642,181
TOTAL LIABILITIES		2,018,372,137	1,967,145,896	1,906,547,941
TOTAL EQUITY AND LIABILITIES		3,525,284,991	3,446,163,303	3,279,165,281

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000 *(Restated)*
Revenue			
Revenue from contracts with customers	11	83,407,615	75,962,517
Construction service fee		3,956,567	3,093,401
Other income		8,894,899	3,566,953
		96,259,081	82,622,871
Expenses			
Depreciation and amortisation		(16,448,224)	(15,110,888)
Electricity costs		(11,002,489)	(11,297,423)
Salaries, wages and related expenses		(20,224,129)	(19,445,487)
Raw materials for water treatment		(4,592,693)	(3,923,705)
Raw materials for household water connections		(1,788,838)	(1,434,221)
Repairs and maintenance		(2,897,833)	(3,065,397)
Construction service expense		(3,017,612)	(2,496,226)
Other operating expenses		(1,951,102)	(1,748,686)
		(61,922,920)	(58,522,033)
Operating profit		34,336,161	24,100,838
Finance income	12	5,194,059	8,129,258
Finance costs	12	(4,610,437)	(4,768,247)
Finance income, net		583,622	3,361,011
Profit before tax		34,919,783	27,461,849
Income tax expense	13	(7,024,336)	(4,766,419)
Net profit for the period		27,895,447	22,695,430
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		27,895,447	22,695,430

Earnings per share attributable to equity holders of the Company during the period were as follows:

	Note	31 March 2026	31 March 2025
Basic earnings per share	14	320.74	260.95
Diluted earnings per share	14	320.74	260.95

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of changes in equity
for the three-month period ended 31 March 2026

	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Balance at 1 January 2026	636,601,984	739,747,415	102,668,008	1,479,017,407
Net profit for the period	-	-	27,895,447	27,895,447
Other comprehensive income	-	-	-	-
Balance at 31 March 2026	636,601,984	739,747,415	130,563,455	1,506,912,854
Balance at 1 January 2025 *(Restated)*	620,759,107	713,236,157	38,622,076	1,372,617,340
Net profit for the period *(Restated)*	-	-	22,695,430	22,695,430
Other comprehensive income	-	-	-	-
Balance at 31 March 2025 *(Restated)*	620,759,107	713,236,157	61,317,506	1,395,312,770

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of cash flows
for the three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000 *(Restated)*
Cash flows from operating activities			
Profit before tax		34,919,783	27,461,849
Adjustments for:			
Amortisation of intangible assets		320,546	293,332
Amortisation of deferred government and other grants	8	(502,247)	(502,477)
Depreciation of property, plant and equipment	4	16,127,678	14,817,556
Interest income	12	(643,277)	(1,107,601)
Interest expenses	12	4,610,437	4,768,247
Net unrealised foreign exchange gain		(6,772,731)	(7,887,749)
Property, plant and equipment written-off	4	-	311,624
Operating profit before changes working capital		48,060,189	38,154,781
Changes in working capital:			
Inventories		(17,316,200)	51,045,157
Trade and other receivables		(13,808,200)	(82,565,797)
Trade and other payables		16,333,322	9,996,631
Contract assets		8,961,202	11,148,766
Contract liabilities		(4,654,888)	621,999
Cash generated from operations		37,575,425	28,401,537
Income tax paid		(12,031,017)	(5,733,883)
Net cash from operating activities		25,544,408	22,667,654
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(16,690,313)	(47,268,786)
Purchase of intangible assets		(339,763)	(239,667)
Interest received		(356,177)	1,107,601
Proceed from settlement of loan to employee		39,823	188,008
Placement of short-term investments		(20,714,376)	(20,044,601)
Proceeds from maturity of short-term investments		20,256,874	19,722,886
Net cash used in investing activities		(17,803,932)	(46,534,559)
Cash flows from financing activities			
Proceeds from borrowings		12,232,529	41,483,550
Interest paid		(1,532,160)	(1,680,961)
Repayments of principal of borrowings		(7,273,279)	(15,652,450)
Net cash from financing activities		3,427,090	24,150,139

Phnom Penh Water Supply Authority

Condensed interim statement of cash flows (continued)
for the three-month period ended 31 March 2026

	Note	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000 *(Restated)*
Net increase in cash and cash equivalents		11,167,566	283,234
Cash and cash equivalents at the beginning of financial period		24,175,047	18,406,666
Cash and cash equivalents at the end of financial period		35,342,613	18,689,900

Significant non-cash transactions from investing activities

Property, plant and equipment transferred to intangible assets		(1,379,781)	-
Property, plant and equipment transferred from/(to) inventories		16,152,443	(22,262,736)
Interest capitalised to property, plant and equipment		727,479	529,634
Credit purchases of property, plant and equipment		36,588,856	(14,022,112)
		52,088,997	(35,755,214)

The accompanying notes form an integral part of these condensed interim financial statements.

1. Corporate information

Phnom Penh Water Supply Authority ("PPWSA") is under the technical supervision of the Ministry of industry, Science, Technology and Innovation ("MISTI") and the financial supervision of the Ministry of the Economy and Finance ("MoEF"), and has its headquarter in Phnom Penh. PPWSA is acknowledged as having the economic characteristics of a public enterprise by the Ministry of Commerce under the registration number Co.0839 Et/2012, dated 27 March 2012.

The registered office of PPWSA is Office 45, Street 106, Sangkat Srah Cbork, Khan Daun Penh, Phnom Penh, the Kingdom of Cambodia.

This condensed interim financial statements is presented in Khmer Riel ("KHR"), which is also the functional currency of PPWSA.

Principal activities

The principal activities of PPWSA are to process and distribute water for general use by the public in the city of Phnom Penh and surrounding areas, including Takmao, Tbong Khmom and Mlech and the provision of other related services. The objectives of PPWSA are to:

- Invest in, build, enlarge, operate, repair and maintain the means of water sanitation and distribution;
- Manage devices to increase water production, and improve services and water quality to meet demand;
- Operate the business, services and related duties for water supply in accordance with the Board of Director's resolutions and the laws of Cambodia;
- Cooperate with local and external development partners on technology, trade and finance in order to improve and develop PPWSA in accordance with government policy; and
- Ensure sustainable production processes, business and finance for the public interest.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard ("CIAS") 34, *"Interim Financial Reporting"*. They do not include all the information required for a complete set of CIFRS financial statements. However, selected explanatory notes, including restatement information in Note 20, are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and financial performance since the last annual financial statements as at and for the year ended 31 December 2025.

The condensed interim financial statements was authorised for issue by the Board of Directors on 14 July 2026.

(b) Functional currency

The Company transacts its business and maintains its accounting records in Khmer Riel ("KHR"). Management has determined the KHR to be the Company's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

All amounts have been rounded to the nearest thousand KHR, unless otherwise indicated.

(c) Use of estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2025.

4. Property, plant and equipment

	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000
Cost		
Balance at the beginning of financial period/year	3,935,236,418	3,651,415,105
Additions	54,006,648	33,776,308
Transfers to intangible assets	(1,379,781)	-
Transfers from/(to) inventories	16,152,443	(22,262,736)
Written-off	-	(311,624)
Balance at the end of financial period/year (*)	4,004,015,728	3,662,617,053
Accumulated depreciation		
Balance at the beginning of financial period/year	772,250,025	711,750,679
Depreciation for financial period/year	16,127,678	14,817,556
Balance at the end of financial period/year	788,377,703	726,568,235
Carrying amount		
Balance at the end of financial period/year	3,215,638,025	2,936,048,818

(*) Among the ending balance as at 31 March 2026, there is work in-progress balance of KHR 1,659,707,979 thousand.

During the financial period, for cash flows purposes, the acquisition of property, plant and equipment comprises:

	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000
Cash purchase	16,690,313	47,268,786
Property, plant and equipment transferred to intangible assets	(1,379,781)	-
Property, plant and equipment transferred from/(to) inventories	16,152,443	(22,262,736)
Interest capitalised to property, plant and equipment	727,479	529,634
Credit purchases of property, plant and equipment	36,588,856	(14,022,112)
	52,088,997	(35,755,214)
	68,779,310	11,513,572

5. Short-term investments

These represent fixed deposits placed with financial institutions for a period of nine months and twelve months (2025: twelve months) and earn interest at rates ranging from 3.00% to 4.40% (2025: 3.50% to 5.25%) per annum.

Notes to the condensed interim financial statements (continued)
for the three-month period ended 31 March 2026

6. Reserves

	Capital reserves KHR'000	Legal reserves KHR'000	General reserves KHR'000	Development reserves KHR'000	Total KHR'000
As at 1 January 2026	1,648,435	54,573,590	54,573,590	628,951,800	739,747,415
Transfer from retained earnings	-	-	-	-	-
As at 31 March 2026	1,648,435	54,573,590	54,573,590	628,951,800	739,747,415
As at 1 January 2025	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157
Transfer from retained earnings	-	-	-	-	-
As at 31 March 2025	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157

In accordance with PPWSA's Articles of Incorporation, article 44, dated 27 June 2012, PPWSA's profit, after offsetting with losses carried forward (if any), can be used as follows:

- for management and staff bonus
- for legal reserve - 5%
- for general reserve - 5%
- the remaining balance for development reserve.

Notes to the condensed interim financial statements (continued) for the three-month period ended 31 March 2026

7. Borrowings

	31 March 2026 KHR'000	31 December 2025 KHR'000
Non-current		
MoEF – Japanese International Cooperation Agency ("JICA")	25,541,615	26,832,595
MoEF – Asian Development Bank ("ADB")	22,358,722	23,745,246
European Investment Bank ("EIB")	371,063,473	372,176,384
	418,963,810	422,754,225
Current		
MoEF-JICA	1,166,294	1,244,247
MoEF-ADB	2,233,172	2,368,730
AFD – Credit No. 1174 01P	127,464,743	134,040,320
AFD – Credit No. 1176 01S	337,449,029	337,702,165
AFD – Credit No. 1244 01M	444,983,917	445,186,289
AFD – Credit No. 1273 01P	235,157,324	222,931,545
EIB	16,938,594	14,982,462
	1,165,393,073	1,158,455,758
	1,584,356,883	1,581,209,983

The maturity dates of these borrowings are as follows:

	31 March 2026 KHR'000	31 December 2025 KHR'000
Non-current		
Later than one year but not later than two years	18,161,976	19,384,707
Later than two years but not later than five years	70,010,550	70,361,436
Later than five years	330,791,284	333,008,082
	418,963,810	422,754,225
Current		
Within 1 year	1,165,393,073	1,158,455,758
	1,584,356,883	1,581,209,983

7. Borrowings (continued)

Movements of borrowings during the period were as follows:

	For the three-month period ended	
	31 March 2026	31 March 2025
	KHR'000	KHR'000
Balance at beginning of the period	1,581,209,983	1,430,619,382
Addition	12,232,529	41,483,550
Interest expense	4,610,437	4,768,247
Interest capitalised into property, plant, and equipment	727,479	529,634
Interest paid	(1,532,160)	(1,680,961)
Principal paid	(7,273,279)	(15,652,450)
Unrealised exchange gain	(5,618,106)	(7,018,287)
Balance at end of the period	1,584,356,883	1,453,049,115

8. Deferred government and other grants

	EU Grant KHR'000	JICA grant KHR'000 *(Restated)*	Government grant KHR'000 *(Restated)*	Other grants KHR'000	Total KHR'000
Balance at 1 January 2026	54,436,199	10,790,309	3,573,419	3,938,313	72,738,240
Amortisation charges	-	(463,251)	(33,127)	(5,869)	(502,247)
Balance at 31 March 2026	54,436,199	10,327,058	3,540,292	3,932,444	72,235,993
Balance at 1 January 2025	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Amortisation charges	-	(463,251)	(33,127)	(6,099)	(502,477)
Balance at 31 March 2025	54,436,199	12,180,064	3,672,799	1,834,422	72,123,484

Notes to the condensed interim financial statements (continued)
for the three-month period ended 31 March 2026

9. Trade and other payables

	31 March 2026 KHR'000	31 December 2025 KHR'000 *(Restated)*
Non-current – Other payable		
Refundable water deposits	98,889,238	96,588,949
Amount due to Phnom Penh Municipality	-	15,000,000
	98,889,238	111,588,949
Current		
Trade payables – third parties	70,737,031	28,708,785
Other payables:		
Accrued staff incentive	16,261,334	13,384,762
Amount due to Phnom Penh Municipality	56,509,637	34,822,396
Amount due to employees	734,704	726,651
Performance guarantee	67,279	67,279
Other tax payable	326,414	1,457,406
Other payables	6,342,612	7,344,470
	80,241,980	57,802,964
	150,979,011	86,511,749

10. Contract assets and liabilities

	31 March 2026 KHR'000	31 December 2025 KHR'000 *(Restated)*
Contract assets		
Construction service receivable	5,983,027	3,985,026
Accrued water revenue	20,721,430	31,680,633
	26,704,457	35,665,659
Contract liabilities		
Deferred income	(5,278)	(5,278)
Unearned income	(1,130,927)	(5,785,815)
	(1,136,205)	(5,791,093)

11. Revenue from contracts with customers

	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000
Water sales (*)	79,240,068	73,334,497
Water connection	2,644,480	1,168,717
Water meter replacement charge	1,462,371	1,390,718
Spare parts and meter sales	60,696	68,585
	83,407,615	75,962,517

(*) Revenue from contracts with customers on water sales is disaggregated by type of customer as follows:

	For the three-month period ended 31 March 2026 KHR'000	31 March 2025 KHR'000
Water sales		
Household	27,179,739	26,419,976
Commercial	43,974,978	38,868,876
Public administrative and autonomy	5,901,815	6,073,788
Representative and room rental	2,230,075	2,220,400
Rounding differences	19,335	18,000
Less: invoice cancellations	(65,874)	(266,543)
	79,240,068	73,334,497

12. Finance income, net

	For the three-month period ended	
	31 March 2026	31 March 2025
	KHR'000	KHR'000
		(Restated)
Finance income:		
Interest income on bank deposits (a)	643,277	1,107,601
Net foreign exchange gains	4,550,782	7,021,657
	5,194,059	8,129,258
Finance costs:		
Interest expense on borrowings (b)	(4,610,437)	(4,768,247)
	583,622	3,361,011

(a) Interest income represents interest earned from savings and deposit accounts held at local banks during the period.

(b) Interest expense represents the interest charges on the loan obtained from AFD and the subsidiary loans obtained from the MoEF, which are funded through loans obtained from the ADB, EIB and JICA.

13. Income tax

In accordance with Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the tax on income at the rate of 20% of taxable income or the minimum tax at 1% of annual turnover, whichever is higher.

During the period, the Company has paid a total of KHR 12,031,017 thousand in respect to the tax on income and prepayment tax on income (31 March 2025: KHR 5,733,883 thousand).

14. Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of PPWSA by the weighted average number of ordinary shares in issue during the period.

	For the three-month period ended	
	31 March 2026 KHR'000	31 March 2025 KHR'000 *(Restated)*
Profit attributable to equity holders (KHR'000)	27,895,447	22,695,430
Weighted average number of shares	86,973,162	86,973,162
Basic earnings per share (KHR)	320.74	260.95

(b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

PPWSA had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share were equivalent to the basic earnings per share.

15. Related party transactions

(a) Significant transactions with related parties

	For the three-month period ended	
	31 March 2026 KHR'000	31 March 2025 KHR'000
Common control		
MoEF		
Interest on borrowings	4,610,437	4,768,247

15. Related party transactions (continued)

(b) Compensation of key management personnel

	For the three-month period ended	
	31 March 2026	31 March 2025
	KHR'000	KHR'000
Salaries and other expenses	601,347	635,862

16. Financial risk management objectives and policies

The financial risk management objective of PPWSA is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The Directors are responsible for setting the objectives and underlying principles of financial risk management for PPWSA. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Directors.

(a) Credit risk

Credit risk is the risk of financial loss to PPWSA if a counter party to a financial instrument fails to perform as contracted. PPWSA is mainly exposed to credit risk from credit sales. It is PPWSA policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that PPWSA is exposed to minimal credit risk.

PPWSA primary exposure to credit risk arises through its trade receivables from its customers and seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk arises from PPWSA's management of working capital. It is the risk that PPWSA will encounter difficulty in meeting its financial obligations when due.

PPWSA actively manages its operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, PPWSA maintains a level of cash and cash equivalents deemed adequate to finance PPWSA's activities.

16. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of PPWSA would fluctuate because of changes in market interest rates.

The exposure of PPWSA to interest rate risk arises primarily from borrowings. PPWSA manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. PPWSA does not use derivative financial instruments to hedge any debt obligations.

17. Seasonality or cyclicality of operations

The demand of water supply is subject to seasonal fluctuation as a result of the high demand for water during the dry season.

18. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to PPWSA's decision makers. Those who are responsible for allocating resources to and assessing the performance of the operating segments has been identified as the key management team. PPWSA operates in one operating segment being water supply related business.

19. Capital commitments

At the end of the current financial quarter, PPWSA has commitment on capital expenditure in respect of:

	31 March 2026 KHR'000	31 December 2025 KHR'000
Construction of water treatment plant	386,807,164	356,219,567
Consultation services	3,363,303	3,363,303
Purchase of iron pipes, fitting and accessories	34,836,974	1,186,420
	425,007,441	360,769,290

20. Restatement of comparative information

During the preparation of the condensed interim financial statements for the three-month period ended 31 March 2026, management identified certain errors in the prior years' financial statements related to the following:

A. Measurement of current income tax liabilities and deferred tax.

B. Classification of items under Trade and other payable, and deferred government and other grants

C. Presentation of foreign exchange (loss)/gain.

D. Presentation in statement of cash flows.

E. Earnings per share.

The errors described below have been corrected retrospectively, and the comparative information has been restated accordingly.

A. Measurement of current income tax liabilities and deferred tax

As at 31 December 2025 and 2024, PPWSA reported net deferred tax liabilities amounting to KHR 114,548,371 thousand and KHR 105,146,861 thousand, respectively. Subsequently, management identified errors in the calculation of current income tax and deferred tax balances. The following items were impacted:

As at 31 December 2024:

- Net deferred tax liabilities and retained earnings were overstated and understated, respectively, by KHR 7,544,727 thousand.

As at 31 December 2025:

- Net deferred tax liabilities were overstated by KHR 7,687,886 thousand;
- Income tax expense was overstated by KHR 143,159 thousand; and
- Retained earnings were understated by KHR 7,687,886 thousand.

As at and for the three-month period ended 31 March 2025:

- Net deferred tax liabilities were overstated by KHR 5,388,162 thousand;
- Income tax expense was understated by KHR 2,156,565 thousand; and
- Retained earnings were understated by KHR 5,388,162 thousand.

20. Restatement of comparative information (continued)

B. Classification of items under Trade and other payable, and deferred government and other grants

1) PPWSA has identified an error in classification of unearned income balance amounting to KHR 5,756,402 thousand and KHR 780,679 thousand as at 31 December 2025 and 2024. These balances were incorrectly presented under other payables rather than contract liabilities. Consequently, contract liabilities were understated and other payables were overstated by the respective amounts.

2) As at 31 December 2025, in accordance with the 17th board of meeting mandate 8th of minute held on 19 June 2025, amount due to Phnom Penh Municipality of KHR 15,000,000 thousand, which was due for settlement in 2027, was classified under current liabilities instead of non-current liabilities. Consequently, the non-current and current trade and other payable was understated and overstated, respectively, by KHR 15,000,000 thousand.

3) PPWSA has identified a transposition error between deferred JICA grant and Government grant balance as of 31 December 2025, 2024 and for the three-month period ended 31 March 2025. As a result, the balance of deferred JICA grant was understated and deferred government grant was overstated by KHR 7,216,890 thousand, KHR 8,937,389 thousand, and KHR 8,507,265 thousand, respectively. The error has no impact on the deferred government and other grants caption, presented herein under Note 8.

C. Presentation of foreign exchange (loss)/gain

PPWSA has presented the net foreign exchange (loss)/gain in various captions under Revenues, and Net finance income/costs in statement of profit or loss. Following a review of its accounting presentation policy, PPWSA has elected to present the net foreign exchange (loss)/gain under net finance income/cost. As a result, for the three-month period ended 31 March 2025, the total revenue was overstated by KHR 3,370 thousand, and the net finance income was understated by KHR 3,370 thousand.

D. Presentation of statement of cash flows

PPWSA has identified numerous arithmetic errors in presentation of the statement of cash flows for the three-month period ended 31 March 2025. As a result:

- Net cash from operating activities was overstated by KHR 7,083,389 thousand;
- Net cash used in investing activities was overstated by KHR 7,271,397 thousand; and
- Net cash from financing activities was overstated by KHR 188,008 thousand.

The significant non-cash transactions from investing activities were overstated by KHR 29,068,639 thousand. The errors had no impact on the balance of cash and cash equivalents.

E. Earnings per share

As a result of item A, the earnings per share and diluted earnings per share for the three-month period ended 31 March 2025 were both consequently adjusted to KHR 260.95 thousand per share.

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows:

Statement of financial position

		31 December 2025			1 January 2025		
	Items	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Equity							
Retained earnings	A	94,980,122	7,687,886	102,668,008	31,077,349	7,544,727	38,622,076
Liabilities							
Non-current liabilities							
Deferred tax liabilities, net	A	114,548,371	(7,687,886)	106,860,485	105,146,861	(7,544,727)	97,602,134
Other payables	B	96,588,949	15,000,000	111,588,949	88,950,566	-	88,950,566
Current liabilities							
Trade and other payables	B	107,268,151	(20,756,402)	86,511,749	213,224,225	(780,679)	212,443,546
Contract liabilities	B	34,691	5,756,402	5,791,093	3,525,673	780,679	4,306,352
		318,440,162	(7,687,886)	310,752,276	410,847,325	(7,544,727)	403,302,598

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of profit or loss and other comprehensive income

	Items	For the three-month period ended 31 March 2025		
		Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Revenues				
Sales		75,962,517	-	75,962,517
Construction service fee		3,093,401	-	3,093,401
Foreign exchange gains – net	C	3,370	(3,370)	-
Other income		3,566,953	-	3,566,953
		82,626,241	(3,370)	82,622,871
Expenses				
Depreciation and amortisation		(15,110,888)	-	(15,110,888)
Electricity costs		(11,297,423)	-	(11,297,423)
Salaries, wages and related expenses		(19,445,487)	-	(19,445,487)
Raw materials for water treatment		(3,923,705)	-	(3,923,705)
Raw materials for household water connection		(1,434,221)	-	(1,434,221)
Repairs and maintenance		(3,065,397)	-	(3,065,397)
Construction service expenses		(2,496,226)	-	(2,496,226)
Other operating expenses		(1,748,686)	-	(1,748,686)
		(58,522,033)	-	(58,522,033)
Operating profit		24,104,208	(3,370)	24,100,838
Finance income	C	9,633,887	(1,504,629)	8,129,258
Finance cost	C	(6,276,246)	1,507,999	(4,768,247)
Finance income, net		3,357,641	3,370	3,361,011
Profit before tax		27,461,849	-	27,461,849
Income tax expense	A	(2,609,854)	(2,156,565)	(4,766,419)
Net profit for the period		24,851,995	(2,156,565)	22,695,430

Earning per share attributable to shareholder of PPWSA during the period are as follows:

	Items	Previously reported	Restatement	As restated
Basic earnings per share	E	285.74	(24.80)	260.95
Diluted earnings per share	E	285.74	(24.80)	260.95

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of cash flows

	For the three-month period ended 31 March 2025		
	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Cash flows from operating activities			
Profit before tax	27,461,849	-	27,461,849
Adjustments for:			
Amortisation of intangible assets	293,332	-	293,332
Amortisation of deferred government and other grants	(502,477)	-	(502,477)
Depreciation of property, plant and equipment	14,817,556	-	14,817,556
Interest income	(9,633,887)	8,526,286	(1,107,601)
Interest expenses	6,276,246	(1,507,999)	4,768,247
Net unrealised foreign exchange gain	-	(7,887,749)	(7,887,749)
Property, plant and equipment written-off	311,624	-	311,624
Operating profit before changes working capital	39,024,243	(869,462)	38,154,781
Changes in working capital:			
Inventories	28,782,421	22,262,736	51,045,157
Trade and other receivables	(82,288,311)	(277,486)	(82,565,797)
Trade and other payables	39,042,018	(29,045,387)	9,996,631
Contract assets	11,148,766	-	11,148,766
Contract liabilities	(224,211)	846,210	621,999
Cash generated from operations	35,484,926	(7,083,389)	28,401,537
Income tax paid	(5,733,883)	-	(5,733,883)
Net cash from operating activities	29,751,043	(7,083,389)	22,667,654
Cash flows from investing activities			
Purchase of property, plant and equipment	(54,074,689)	6,805,903	(47,268,786)
Purchase of intangible assets	(239,667)	-	(239,667)
Interest received	830,115	277,486	1,107,601
Proceed from settlement of loan to employee	-	188,008	188,008
Placement of short-term investments	-	(20,044,601)	(20,044,601)
Proceeds from maturity of short-term investments	(321,715)	20,044,601	19,722,886
Net cash used in investing activities	(53,805,956)	7,271,397	(46,534,559)

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of cash flows (continued)

	For the three-month period ended 31 March 2025		
	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Cash flows from financing activities			
Proceeds from borrowings	41,483,550	-	41,483,550
Interest paid	(1,680,961)	-	(1,680,961)
Proceed from settlement of loan to employee	188,008	(188,008)	-
Repayments of principal of borrowings	(15,652,450)	-	(15,652,450)
Net cash from financing activities	24,338,147	(188,008)	24,150,139
Net increase/(decrease) in cash and cash equivalents	283,234	-	283,234
Cash and cash equivalents at the beginning of financial period	18,406,666	-	18,406,666
Cash and cash equivalents at the end of financial period	18,689,900	-	18,689,900

Significant non-cash transactions from investing activities

Property, plant and equipment transferred from/(to) inventories	(22,262,736)	-	(22,262,736)
Interest capitalised to property, plant and equipment	529,634	-	529,634
Credit purchases of property, plant and equipment	(43,090,751)	29,068,639	(14,022,112)
	(64,823,853)	29,068,639	(35,755,214)

21. Taxation contingencies

On 22 January 2025, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a Comprehensive tax audit for the period from 1 January 2019 to 31 December 2019. The letter imposed a total penalty for underpaid tax on profit amounting to KHR 2,817,141,466 and underpaid tax on value-added taxes amounting to KHR 1,371,227,617. On 18 February 2025, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

On 28 January 2025, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a Comprehensive tax audit for the period from 1 January 2020 to 31 December 2021. The letter imposed a total penalty for underpaid tax on profit, tax on value-added taxes and withholding tax on service 15% amounting to KHR 5,225,347,223. On 27 February 2025, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

On 17 January 2024, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a limited tax audit for the period from 1 January 2022 to 31 March 2023. The letter imposed a total penalty for underpaid value-added taxes amounting to KHR 8,743,629,148. On 14 February 2024, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

PPWSA's management is confident that they can effectively communicate their position to the GDT, supported by substantial evidence, in order to address this matter. Hence, no provision was recorded in relation to the accrued tax penalty expense.

The Company assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Company’s tax positions and continually monitors regulatory developments. While the Company commit to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

22. Financial instruments – fair values

PPWSA has not disclosed the fair value information for the financial assets and financial liabilities because their carrying amounts are a reasonable approximation of the fair value.

23. Significant events subsequent to the end of the reporting period

On 7 April 2026, the Board of Directors approved the transfer of retained earnings to reserves as follows:

- for management and staff bonus amounting to KHR 11,504,516 thousand;
- for legal reserve – 5% amounting to KHR 4,749,006 thousand;
- for general reserve – 5% amounting to KHR 4,749,006 thousand; and
- the remaining balance for development reserve amounting to KHR 1,973,112 thousand.

On the same date, the Board of Directors of PPWSA proposed and the shareholders subsequently approved, a dividend of KHR 330 per share in respect of the financial year ended 31 December 2025. The total dividend declared amounting to KHR 4,305,171,750 to other shareholders and KHR 24,395,971,710 to the MEF.

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