Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated financial statements and Independent Auditor's report
For the three-month and six-month periods ended June 30, 2026 (unaudited)

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INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of
Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ladun Investment Company (a listed joint-stock company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2026, the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2026, the interim condensed consolidated statements of changes in Shareholders' equity and cash flows for the six-month periods then ended, and material information on significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that Endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant mattes that might be identified in the 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 interim condensed consolidated financial statements have not been prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For El Sayed El Ayouty & Co.

A. Balamesh

Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

Riyadh on: 23 Safar 1448
Corresponding to: 06 August 2026

السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون
س.م رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
P.R. 4030291245
EL SAYED EL AYOUTY & CO.

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated statement of financial position as at June 30, 2026 (unaudited)
(Expressed in Saudi Riyals)

	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
Assets			
Non-current assets			
Property, plant and equipment		97,799,205	101,569,848
Investment properties	5	626,826,939	514,358,259
Right-of-use assets	6.1	3,349,949	3,996,240
Intangible assets		1,956,070	1,857,039
Financial assets at fair value through other comprehensive income	7	37,430,000	38,760,000
Investment in Real Estate Fund		32,993,770	32,993,770
Contract assets - non-current portion	8.2	65,286,828	65,286,828
Investment in equity instruments	7.3	2,500	-
Properties for development and sale - non-current portion	9.2	61,978,902	61,978,902
Total non-current assets		**927,624,163**	**820,800,886**
Current assets			
Contracts assets - current portion	8.1	462,627,597	476,033,437
Properties for development and sale - current portion	9.1	920,401,486	922,119,401
Inventory		40,695,733	53,411,654
Trade receivables and other debit balances	10	319,019,719	391,998,328
Due from related parties	11.1	3,805,229	3,291,687
Investments at fair value through profit or loss	12	20,492,000	23,418,250
Restricted cash (escrow accounts)		23,483,260	26,827,249
Cash and cash equivalents	13	23,694,906	39,008,408
Total current assets		**1,814,219,930**	**1,936,108,414**
Total assets		**2,741,844,093**	**2,756,909,300**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	14	500,000,000	500,000,000
Retained earnings		55,459,636	129,371,710
Unrealized losses from revaluation of financial assets at fair value through other comprehensive income.		(57,563,946)	(56,233,946)
Actuarial gains of re-measurement of employees' defined benefits		6,065,587	4,363,879
Total Shareholders' equity		**503,961,277**	**577,501,643**
Non-current liabilities			
Long term loans - non-current portion	16.2	332,654,314	272,069,904
Lease liabilities - non-current portion	6.2.2	162,602,319	64,997,710
Employees' defined benefit obligations		25,339,209	24,846,468
Total non-current liabilities		**520,595,842**	**361,914,082**
Current liabilities			
Long term loans - current portion	16.1	447,016,940	479,189,118
Short-term loans	17	252,511,899	261,202,887
Lease liabilities - current portion	6.2.1	10,619,721	6,149,943
Due to related parties	11.2	1,261,400	1,758,900
Contract liabilities	8.3	183,718,883	184,335,338
Trade accounts payable and other credit balances	18	815,733,786	874,724,160
Operating loss obligations		820,922	1,133,804
Legal cases provision		4,200,525	6,407,914
Provision for zakat	19	1,402,898	2,591,511
Total current liabilities		**1,717,286,974**	**1,817,493,575**
Total liabilities		**2,237,882,816**	**2,179,407,657**
Total Shareholders' Equity and Liabilities		**2,741,844,093**	**2,756,909,300**

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements (unaudited)

Chief Financial Officer	Chief Executive Officer	Authorized BOD's Member

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated statement of profit or loss and other comprehensive income
For the three-month and six-month periods ended June 30, 2026 (unaudited)
(Expressed in Saudi Riyals)

	Note	For the three-month period ended		for the six-month period ended	
		30 June 2026 (unaudited)	30 June 2025 (unaudited)	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Revenue	20	150,199,200	314,055,176	313,481,056	639,412,544
Cost of revenue	21	(130,834,970)	(230,801,845)	(274,393,183)	(506,833,398)
Gross profit		**19,364,230**	**83,253,331**	**39,087,873**	**132,579,146**
General and administrative expenses		(27,005,830)	(35,511,919)	(58,530,454)	(68,268,843)
Impairment of customer contracts		(6,290,025)	-	(8,027,465)	-
Expected credit losses		(96,219)	-	(1,732,354)	-
Reversal of provision for credit loss		261,582	-	261,582	-
(Losses) / profits from sale of property and equipment		(15,128)	466,924	(39,160)	464,626
(Losses) from disposal of intangible assets		-	(165,000)	-	(165,000)
(Loss) / profit from operating activities		**(13,781,390)**	**48,043,336**	**(28,979,978)**	**64,609,929**
Other revenue (expenses)					
Dividends from financial assets at fair value through other comprehensive income	7.2	-	-	950,000	1,330,000
Dividends from financial assets at fair value through profit or loss (FVTPL)	12.1	417,500	293,750	417,500	293,750
Unrealized (losses) from revaluation of investments at fair value	12.1	(29,000)	(1,664,500)	(2,926,250)	(409,000)
Returns on investments in financial assets at amortized cost		-	-	-	42,500
Provision for legal claims		(890,647)	-	(890,647)	-
Expenses related to the transition to the main market		(528,750)	-	(528,750)	-
Finance costs		(19,880,364)	(20,316,877)	(42,375,887)	(44,905,302)
Other income		865,236	808,174	990,233	889,189
Net (loss) / profit for the period before Zakat		**(33,827,415)**	**27,163,883**	**(73,343,779)**	**21,851,066**
Zakat	19.1	(318,295)	(275,000)	(568,295)	(530,000)
Net (loss) / profit for the period after zakat		**(34,145,710)**	**26,888,883**	**(73,912,074)**	**21,321,066**
Other comprehensive income items:					
Unrealized (losses) / profits from revaluation of financial assets at fair value through other comprehensive income	7.1	(2,755,000)	(2,185,000)	(1,330,000)	(4,940,000)
Actuarial gains of re-measurement of employees' benefits		1,701,708	2,400,653	1,701,708	2,400,653
Other comprehensive (loss)/income		**(1,053,292)**	**215,653**	**371,708**	**(2,539,347)**
Comprehensive (loss)/income for the period		**(35,199,002)**	**27,104,536**	**(73,540,366)**	**18,781,719**
Basic and diluted (loss)/earnings per share	22	**(0,07)**	**0,05**	**(0,15)**	**0,04**

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements (unaudited)

Chief Financial Officer **Chief Executive Officer** **Authorized BOD's Member**

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated statement of changes in shareholders' equity
For the six-month period ended June 30, 2026 (unaudited)
(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Unrealized (losses) from revaluation of financial assets at fair value through other comprehensive income	Actuarial gains / (losses) of re-measurement of employee defined benefits	Total Shareholders' equity
For the six-month period ended 30 June 2025						
Balance at January 01, 2025 (audited)	500,000,000	30,640,628	154,127,954	(50,153,946)	305,008	634,919,644
Net profit for the period	-	-	21,321,066	-	-	21,321,066
Other comprehensive (loss)	-	-	-	(4,940,000)	2,400,653	(2,539,347)
Comprehensive income for the period	-	-	21,321,066	(4,940,000)	**2,400,653**	18,781,719
Transfer of the statutory reserve to retained earnings (Note 15)	-	(30,640,628)	30,640,628	-	-	-
Balance at June 30, 2025 (unaudited)	500,000,000	-	206,089,648	(55,093,946)	2,705,661	**653,701,363**
For the six-month period ended 30 June 2026						
Balance at January 01, 2026 (audited)	500,000,000	-	129,371,710	(56,233,946)	4,363,879	577,501,643
Net (loss) for the period	-	-	(73,912,074)	-	-	(73,912,074)
Other Comprehensive Income	-	-	-	(1,330,000)	1,701,708	371,708
Comprehensive (loss) for the period	-	-	(73,912,074)	(1,330,000)	1,701,708	(73,540,366)
Balance at June 30, 2026 (unaudited)	500,000,000	-	**55,459,636**	**(57,563,946)**	**6,065,587**	**503,961,277**

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements (unaudited)

Chief Financial Officer **Chief Executive Officer** **Authorized BOD's Member**

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated statement of cash flows
For the six-month period ended June 30, 2026 (unaudited)
(Expressed in Saudi Riyals)

	For the six-month period ended	
	30 JUNE 2026 (unaudited)	**30 JUNE 2025 (unaudited)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / profit for the period	(73,343,779)	21,851,066
Net adjusted (loss) to net cash flows from operating activities		
Depreciation on property, plant and equipment	5,585,186	5,825,476
Depreciation on investment properties	11,931,567	11,172,665
Losses /(profits) of disposals of property, plant and equipment	39,160	(464,626)
Amortization of intangible assets	124,469	121,858
Losses from disposal of intangible assets	-	165,000
Depreciation on right-of-use assets	646,291	646,293
Investment returns on debt instruments	-	(42,500)
Provision for employees' benefit obligations	4,066,027	4,067,671
Reversal of provision for expected credit losses	(261,582)	-
Legal cases provision - formed	890,647	-
Provision for impairment of customer contracts- formed	8,027,465	-
Dividends from financial assets at fair value through other comprehensive income	(950,000)	(1,330,000)
Dividends from investments at fair value through profit or loss	(417,500)	(293,750)
Provision for expected credit loss - provided	1,732,354	1,907,310
Financing costs of long-term loans	24,588,300	30,574,034
Financing costs of short-term loans	10,526,372	9,767,146
Finance costs for lease obligations	1,371,660	1,599,761
Provision for impairment of other debit balances	-	5,192,798
Unrealized losses from revaluation of investments at fair value through profit or loss	2,926,250	409,000
	(2,517,113)	**91,169,202**
Changes in working capital		
Provision for legal claims	(3,098,036)	(272,960)
Provision for expected credit loss utilized	-	(500,000)
Customer contracts	4,761,920	102,056,009
Inventory	12,715,921	(9,333,146)
Properties for development and sale	1,717,915	91,264,066
Trade receivables and other debit balances- Net	71,507,837	(78,425,393)
Related Parties	(1,013,542)	(25,303)
Restricted cash (escrow accounts)	3,343,989	(35,999,815)
Trade accounts payable and other credit balances	(58,990,374)	47,044,396
Cash flows from working capital	**28,428,517**	**206,977,056**
Operating contract loss liabilities - paid	(312,882)	(3,000,000)
Employees' defined benefit obligations paid	(1,871,578)	(866,233)
Zakat paid	(1,756,908)	(1,716,248)
Net cash flows from operating activities	**24,487,149**	**201,394,575**

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements (unaudited)

Chief Financial Officer	**Chief Executive Officer**	**Authorized BOD's Member**

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Interim condensed consolidated statement of cash flows
For the six-month period ended June 30, 2026 (unaudited)
(Expressed in Saudi Riyals)

	Note	For the six-month period ended	
		30 JUNE 2026 (unaudited)	**30 JUNE 2025 (unaudited)**
Cash flows from investing activities			
(Additions to) property, plant and equipment		(1,854,703)	(4,220,000)
(Additions) to investment property		(16,716,823)	(9,805,703)
Proceeds from sale property, plant and equipment		1,000	756,093
(Additions) to intangible assets		(223,500)	-
Investments in debt instruments recovered		-	5,000,000
Proceeds from investment returns on debt instruments		-	42,500
Proceeds from dividends from financial assets at fair value through other comprehensive income		950,000	1,330,000
Proceeds from dividends from investments at fair value through profit or loss		417,500	293,750
Net cash flows (used in) investing activities		**(17,426,526)**	**(6,603,360)**
Cash flows from financing activities			
Lease liabilities paid		(4,831,437)	(4,750,682)
Proceeds from loans		136,612,132	244,041,510
Loans repaid		(154,154,820)	(467,975,682)
Net cash flows (used in) financing activities		**(22,374,125)**	**(228,684,854)**
Net (decrease) in cash and cash equivalents		**(15,313,502)**	**(33,893,639)**
Cash and cash equivalents at the beginning of the period		**39,008,408**	**81,207,035**
Cash and cash equivalents at end of the period	13	**23,694,906**	**47,313,396**
Additional information on non-cash finance operations			
Transferred from customer contracts to properties held for sale and development		-	938,139,611
Unrealized (losses) from revaluation of financial assets at fair value through other comprehensive income		(1,330,000)	(4,940,000)
Actuarial gains/ (losses) of re-measurement of employee defined benefits		1,701,708	2,400,653
Investment properties through lease liabilities		105,534,164	-
Investment in equity instruments against related-party balances		2,500	-
Capitalized finance cost on investment properties under development		(2,149,260)	(1,356,297)

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements (unaudited)

Chief Financial Officer **Chief Executive Officer** **Authorized BOD's Member**

Ladun Investment Company (Public Joint-stock)
(A listed joint stock company)
Kingdom of Saudi Arabia - Riyadh
Notes to the interim condensed consolidated financial statements
For the six-month period ended June 30, 2026 (unaudited)

1. General

1.1 Ladun Investment Company, a public joint stock company (the 'Company') — a listed joint stock company — was incorporated on 17/03/1426H, corresponding to 4 October 2005, in accordance with the Saudi Companies Law and the Company's Articles of Association, the latest amendment of which was published on 18/01/1447H (corresponding to 13 July 2025). The Company is registered under the Unified National Number 7003761512 in the Commercial Register of the City of Riyadh under Commercial Registration No. 1010467355, dated 18/04/1438H (corresponding to 16 January 2017), valid until 21/05/1449H (corresponding to 21 October 2027). The Company's head office is located in Riyadh, P.O. Box 395343, Postal Code 12312.

1.2 The The company operates through the head office and the following branch:
Al-Khobar branch registration number 2051030952 issued on 17/03/1426 H valid until 19/11/1448 H (former head office*).
1.3 During 2021, the subsidiary commercial register No. 1010467355 was converted into a main commercial register, and the main commercial register No. 2051030952 was converted into a subsidiary one.

The company's activities include purchasing, selling, and subdividing lands and properties, off-plan sales activities, managing and leasing owned or leased residential properties, managing and leasing owned or leased non-residential properties, developing residential buildings using modern construction methods, and developing commercial buildings using modern construction methods.

1.3 As at 30 June 2026, the Company directly or indirectly owned majority interests that enable it to control subsidiaries, which are collectively referred to as the "Group". The following is a list of the subsidiaries:

Firstly: Directly-owned companies

Company Name	Type	Headquarters	Shareholding % 2026	2025
Built Industrial Company	LLC	Riyadh	100%	100%
Painite Operations and Maintenance Company	LLC	Khobar	100%	100%
Iktisaab Human Resources Company	LLC	Riyadh	100%	100%

Secondly, Indirectly-owned companies

Company Name	Type	Headquarters	Shareholding % 2026	2025
Daymat Specialist Company	LLC	Riyadh	100%	-
Lughz Construction and Architecture Company Ltd.	LLC	Riyadh	100%	-

1.5 Geopolitical Developments
The Group continues to monitor geopolitical developments in the region and their potential impact on the business environment and supply chains. During the period, certain regional transportation and logistics networks experienced disruptions, resulting in an increase in certain transportation and shipping costs.
Based on management's assessment of the information available up to the date of preparation of these financial statements, these developments did not have a material impact on the Group's operations, financial position, or results of operations for the period ended 30 June 2026. Management will continue to monitor and assess the relevant developments and any potential impact on the Group's operations, supply chains, and cost structure during subsequent reporting periods.

1.6 The financial year of the Group begins on January 1st of each year and ends at the end of December, and the interim condensed consolidated financial statements presented are for the period from January 1, 2026, to December 31, 2027.

2. Basis of preparation

2.1 Statement of compliance
These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard - IAS 34 "Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Auditors and Accountants."
These interim condensed consolidated financial statements do not include all the information and notes required in the annual consolidated financial statements, therefore, It should be read in conjunction with the Group's latest consolidated financial statements for the year ended December 31, 2025.

2. Basis of preparation ... (continued)

2.2 Basis for consolidating the financial statements

The interim condensed consolidated financial statements include the financial statements of the Parent Company and all subsidiaries, collectively referred to as the “Group”. The consolidated financial statements present financial information about the Group as a single economic entity at the same reporting date of the Parent Company, using consistent accounting policies.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is presumed to exist over the subsidiary when the Company owns, directly or indirectly, more than half of the voting power of an investee unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an investee but has other power to govern the financial and operating policies of the entity. The assets, liabilities and results of the subsidiaries are consolidated in full from the date of acquisition, being the date when control is transferred to the Group. Consolidation continues until the date of such control ceases. The Group applies the acquisition method to account for business combination. Inter-company transactions, balances, income, expenses, unrealized gains and losses on transactions and dividends are eliminated in full.

2.3 Basis of measurement

The interim condensed consolidated financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets that are measured at fair value and financial liabilities that are measured at the present value of future liabilities projections using the projected unit credit method.

2.4 Presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency. All amounts are presented in the interim condensed consolidated financial statements in Saudi riyals، unless otherwise stated.

2.6 Use of judgments, estimates and assumptions

The preparation of these interim condensed consolidated financial statements requires Management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures of contingent liabilities at the reporting date. Although these estimates are based on the best current information and indicators available to Management, the final actual results may differ from these estimates.
These estimates and assumptions are reviewed on an ongoing basis and the effects arising from adjustment of the accounting estimates are recognized in the period in which such adjustment is made and the subsequent periods. The assumptions and estimates are particularly represented in the application of accounting policies that have significant impact on the amounts recognized in the consolidated financial statements.
The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those applied to the financial statements for the period ended 30 June 2026.

3. Material Information on Accounting Policies

The accounting policies applied to these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2025.

4. Changes in significant accounting policies and new standards

4.1 New and revised IFRS Standards that are applicable and have no significant impact on the interim condensed consolidated financial statements:

No new IFRS standards have been applied; however, a number of IFRS amendments are effective as of January 1, 2026 but have no significant impact on the Group's consolidated financial statements. The following is a summary of the amendments applied by the Group:

- IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"

The Saudi Organization for Auditors and Accountants adopted the amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" relating to the classification and measurement of financial instruments.
The amendments include clarifications regarding the timing of recognition and derecognition of financial assets and financial liabilities. They also include an exception for the derecognition of certain financial liabilities settled through electronic payment systems before the actual settlement date, subject to meeting specified conditions.
The amendments also include clarifications on the assessment of the contractual cash flow characteristics of financial assets, including financial instruments with contractual terms that may affect the timing or amount of contractual cash flows, particularly terms linked to environmental, social and governance targets. The amendments to IFRS 7 also include disclosure requirements related to these financial instruments.
These amendments are effective for annual reporting periods beginning on or after 1 January 2026.

4.2 New and revised IFRS not yet effective and not applicable:

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the interim condensed consolidated financial statements:

IFRS 18 "Presentation and Disclosure in Financial Statements"

The International Accounting Standards Board issued IFRS 18 "Presentation and Disclosure in Financial Statements" on 9 April 2024, and the Saudi Organization for Chartered and Professional Accountants adopted it on 26 December 2024. IFRS 18 supersedes IAS 1 "Presentation of Financial Statements". The Standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group has not early applied the Standard in preparing these interim condensed consolidated financial statements.

Based on the decision issued by the Capital Market Authority dated 30 June 2026, the Group performed a preliminary assessment of the expected impact of the initial application of the Standard. Based on this assessment, the Group does not expect a material impact on the measurement of net profit, total assets, liabilities, or equity. However, the application of the Standard is expected to affect the presentation and classification of certain items of income and expenses, totals and subtotals, and the related disclosures.

a. Structure of the statement of profit or loss

The Standard requires income and expenses to be classified into operating, investing, financing, income tax, or zakat, as applicable, and discontinued operations categories. It also requires the presentation of new mandatory subtotals, most notably operating profit or loss and profit or loss before financing and income taxes.

Given the diversity of the Group's activities, which include real estate development, investment in properties, contracting, industrial activities, and support services, management is currently assessing the impact of the nature of these activities on the classification and presentation of income and expenses in accordance with the requirements of the Standard.

b. Management-defined performance measures and aggregation and disaggregation

The Standard introduces new requirements for the disclosure of management-defined performance measures, as well as enhanced requirements for the aggregation and disaggregation of information presented in the primary financial statements and the notes.

The Group is currently assessing the impact of these requirements on its existing financial reporting and disclosures, including identifying the measures used in public reporting and communications and the extent to which they comply with the requirements of the Standard.

4. Changes in significant accounting policies and new standards... (continued)
4.2 New and revised IFRS not yet effective and not applicable... (continued)

c. Consequential amendments to other IFRS Accounting Standards and cash flows
The application of the Standard includes consequential amendments to a number of IFRS Accounting Standards, including IAS 7 “Statement of Cash Flows”, IAS 33 “Earnings per Share”, IAS 34 “Interim Financial Reporting”, and other relevant Standards.

These amendments also include new requirements for the classification of cash flows related to interest and dividends. The Group is currently assessing the impact of these amendments on its accounting policies and related disclosures.

d. Systems and internal controls
The Group is currently assessing the readiness of its financial systems, controls, and internal procedures, including the necessary modifications to its financial reporting systems, to ensure that their outputs comply with the requirements of the Standard upon its mandatory application from 1 January 2027.

e. Comparative information
IFRS 18 will be applied retrospectively in accordance with the requirements of IFRS Accounting Standards, which may require the restatement of certain comparative information and related disclosures.

The Group is still in the process of completing its assessment of the full impact of the initial application of IFRS 18, including its effects on the presentation of financial statements, disclosures, and comparative information.

IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
The Accounting Standards Board of the Saudi Organization for Chartered and Professional Accountants adopted IFRS 19 “Subsidiaries without Public Accountability: Disclosures”. The Standard aims to allow eligible subsidiaries to apply the recognition, measurement, and presentation requirements of IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia, while applying reduced disclosure requirements compared with the disclosure requirements set out in those Standards.

A subsidiary may apply the Standard if it does not have public accountability and its ultimate parent or any intermediate parent prepares consolidated financial statements that are available for public use and comply with IFRS Accounting Standards. The application of the Standard is optional for entities that meet the eligibility criteria, and an eligible entity may also cease applying it in a subsequent period.

For entities that elect to apply it, the Standard is effective for annual reporting periods beginning on or after 1 January 2027, noting that application of the Standard is optional and may be discontinued in future periods after it has been applied.

(Expressed in Saudi Riyals)

5. Investment properties

5.1 The period ended June 30, 2026

	Lands	Buildings	Investment properties under development	Right-of-use assets	Total
Cost:					
Balance at 01 January 2026	204,125,578	283,987,365	50,799,931	94,504,929	633,417,803
Additions during the period	-	-	16,716,823	105,534,164	122,250,987
Capitalized interests during the period (note 16)	-	-	2,149,260	-	2,149,260
Balance at 30 June 2026	**204,125,578**	**283,987,365**	**69,666,014**	**200,039,093**	**757,818,050**
Accumulated depreciation:					
Balance at 01 January 2026	-	82,492,715	-	36,566,829	119,059,544
Depreciation for the period	-	7,861,132	-	4,070,435	11,931,567
Balance at 30 June 2026	**-**	**90,353,847**	**-**	**40,637,264**	**130,991,111**
Net book value at June 30, 2026	**204,125,578**	**193,633,518**	**69,666,014**	**159,401,829**	**626,826,939**

Investment properties include lands amounting to SR 185,470,029 and buildings with a net book value of SR 169,680,677 that are mortgaged against long-term loans (Note 16) under an agreement in favor of local banks.
Investment properties with a net carrying amount of SR 626,826,939 were valued, and the fair value as of June 30, 2026 amounted to SR 825,236,870. The valuation was performed by an accredited valuer named Amam Real Estate Valuation Company with membership number 1210000030 and commercial registration number 1010611939. No material change has occurred in the fair value of the investment properties up to that date.

	30 June 2026 (unaudited)	31 December 2025 (audited)
Investment properties held for rental	594,919,698	482,476,415
Investment properties held for capital appreciation	31,907,241	31,881,844
	626,826,939	514,358,259

Impairment test for investment properties

The Group's management tests investment properties for impairment at each financial reporting date and has engaged Amam Real Estate Valuation Company with membership number 1210000030 and commercial registration number 1010611939 to verify that there is no impairment in their value to determine whether the carrying amount exceeds its recoverable amount. The recoverable value is determined based on assumptions related to future sales volumes, discount rates, and other factors relevant to rental properties. For non-rental properties, the market value assumption has been used.

(Expressed in Saudi Riyals)

5. Investment properties... (Continued)
5.2 Year ended December 31, 2025

	Lands	Buildings	Investment properties under development	Right-of-use assets	Total
Cost:					
Balance at 01 January 2025	120,275,578	283,683,220	10,219,426	94,504,929	508,683,153
Additions during the year	-	304,145	37,545,590	-	37,849,735
Borrowing costs capitalized during the year	-	-	3,034,915	-	3,034,915
Transferred from properties held for development and sale	83,850,000	-	-	-	83,850,000
Balance at 31 December 2025	**204,125,578**	**283,987,365**	**50,799,931**	**94,504,929**	**633,417,803**
Accumulated depreciation:					
Balance at 01 January 2025	-	66,175,040	-	30,353,898	96,528,938
Depreciation for the year	-	16,317,675	-	6,212,931	22,530,606
Balance at 31 December 2025	**-**	**82,492,715**	**-**	**36,566,829**	**119,059,544**
Net amount at 31 December 2025	**204,125,578**	**201,494,650**	**50,799,931**	**57,938,100**	**514,358,259**

(Expressed in Saudi Riyals)

6. Leases

The Group has entered into a number of lease agreements as a lessee for usage purposes and for the purpose of earning rental income, as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Right-of-use assets for usage purposes (note 6.1)	3,349,949	3,996,240
Right-of-use assets for leasing purposes (Investment properties - Note 5)	159,401,829	57,938,100
	162,751,778	**61,934,340**

6.1 Right-of-use assets

	Lands	Equipment	30 June 2026 (unaudited)	31 December 2025 (audited)
Cost:				
Balance at beginning of period/year	2,900,476	4,052,000	6,952,476	6,952,476
Balance at end of the period/year	**2,900,476**	**4,052,000**	**6,952,476**	**6,952,476**
Accumulated amortization:				
Balance at beginning of period/year	525,036	2,431,200	2,956,236	1,663,658
Depreciation charged during the period/year	241,091	405,200	646,291	1,292,578
Balance at end of the period/year	**766,127**	**2,836,400**	**3,602,527**	**2,956,236**
Net carrying amount at end of the period / year	**2,134,349**	**1,215,600**	**3,349,949**	**3,996,240**

	For the six-month period ended	
The depreciation is distributed as follows:	**30 June 2026 (unaudited)**	**30 June 2025 (unaudited)**
Charged to cost of revenue (note 21)	220,079	241,090
Charged to general and administrative expenses	426,212	405,203
	646,291	**646,293**

6.2 Lease liabilities

	Lands	Equipment	30 June 2026 (unaudited)	31 December 2025 (audited)
Cost:				
Balance at beginning of period/year	85,471,430	630,432	86,101,862	95,750,852
Additions during the period/year	105,534,164	-	105,534,164	-
Paid during the period/year	(4,386,330)	(445,107)	(4,831,437)	(9,648,990)
Balance at end of the period/year	**186,619,264**	**185,325**	**186,804,589**	**86,101,862**
Less: Deferred interest				
Balance at beginning of the period/year	14,951,056	3,153	14,954,209	19,444,940
Charged to finance expenses	(1,368,507)	(3,153)	(1,371,660)	(4,490,731)
Balance at end of the period/year	**13,582,549**	**-**	**13,582,549**	**14,954,209**
Present value of obligation				
Net carrying amount at end of the period / year	**173,036,715**	**185,325**	**173,222,040**	**71,147,653**

(Expressed in Saudi Riyals)

6. Leases... (Continued)

6.2 Lease liabilities

Lease liabilities were presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion within a year) and the non-current portion - within the non-current liabilities (which represents the remaining liability less the current portion) as follows:-

	30 June 2026 (unaudited)	31 December 2025 (audited)
6.2.1 Lease liabilities – current portion	10,619,721	6,149,943
6.2.2. Lease liabilities - non-current portion	162,602,319	64,997,710
	173,222,040	**71,147,653**

	30 June 2026 (unaudited)	31 December 2025 (audited)
7. Financial assets at fair value through other comprehensive income		
7.1 Musharaka REIT Fund stock		
Balance beginning of period/year	38,760,000	44,840,000
Losses from revaluation of investments at fair value through other comprehensive income	(1,330,000)	(6,080,000)
Balance at end of the period/year	**37,430,000**	**38,760,000**

7.2 Below is the movement in unrealized losses from remeasurement:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Balance beginning of period/year	(56,233,946)	(50,153,946)
(Losses) from remeasurement for the period / year	(1,330,000)	(6,080,000)
Balance at end of the period/year	**(57,563,946)**	**(56,233,946)**

Investments at fair value through other comprehensive income are pledged as collateral against short-term loans under an agreement in favour of local banks.
Dividends for the financial period ended 30 June 2026 amounted to SR 950,000, compared with SR 1,330,000 for the period ended 30 June 2025.

7.3 Investment in equity instruments

The Group, through Built Industrial Company, owns 10% of the share capital of Built Factory for Building Technology Company, whose share capital amounts to SR 25,000. The company was established to set up and operate a ready-mix concrete plant to meet the requirements of certain projects of the Group.
After assessing the nature of the investment and the contractual rights associated with it, management concluded that the Group does not have control, joint control, or significant influence over the investee. Accordingly, the investment was classified as an investment in an equity instrument within the scope of IFRS 9 “Financial Instruments”.
The carrying amount of the investment was SR 2,500 as at 30 June 2026. As at that date, the investee had not commenced its substantive operating activities and had not generated operating revenue related to the primary purpose for which it was established. Management believes that, in light of the recent establishment of the company, the fact that it has not commenced operations, and the absence of indicators of a change in its economic value, the fair value of the investment does not differ materially from its carrying amount at the reporting date.

8. Customer contracts

The movement in contract assets and liabilities during the period/ year is as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Balance at beginning of period/year	382,256,655	1,489,416,879
Revenue during the period/year	290,245,721	971,292,657
Billed during the period/year	(295,007,641)	(1,140,313,270)
Transferred to properties for development and sale (note 9)	-	(938,139,611)
Balance at end of the period/year	**377,494,735**	**382,256,655**
Less: Provision for impairment of customer contracts (note 8.4)	(33,299,193)	(25,271,728)
	344,195,542	**356,984,927**

(Expressed in Saudi Riyals)

8. Customer contracts... (Continued)

The customer contracts were presented in the statement of financial position as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
8.1 Contract assets - current portion	462,627,597	476,033,437
8.2 Contract assets - non-current portion*	65,286,828	65,286,828
8.3 Contract liabilities	(183,718,883)	(184,335,338)
	344,195,542	**356,984,927**

	30 June 2026 (unaudited)	31 December 2025 (audited)
8.4 Provision for impairment of customer contracts		
Balance beginning of period/year	25,271,728	23,073,337
Provided during the period/year	8,027,465	6,949,761
Utilized during the period/year	-	(4,751,370)
	33,299,193	**25,271,728**

* On 25/12/2019 and subsequently on 04/02/2021, the Company concluded a partnership agreement to develop the Alasila District Land in Makkah on a total land area of 2,867,222,21 square meters (the developed land area is 1,593,354 square meters). With the land to be divided at a ratio of 25.844% for Ladun Company and 74.156% for the other party. In the light of the signed agreement, the company obtained long-term Islamic financing from Al Bilad Bank with the guarantee of a full mortgage.

9. Properties for development and sale

The properties for development and sale represent the following projects:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Development of Alremal land in Riyadh	2,513,478	2,513,478
Development of Ruba District land in Jizan	19,396,454	19,396,454
Development of Nimar District land in Riyadh	3,320,095	3,404,702
Development of Alminjara land in Jazan, Rawabi	15,295,084	15,295,084
Al-Malqa Suburb Lands (Al-Usaylah)	935,643,328	-
Finan and Jawharat AlRusaifah projects	4,164,049	4,700,474
Transferred from contract assets (Al-Usaylah Project)(note 8)	-	938,139,611
Development works for informal settlement land	600,000	-
Development of Afiya Almashreqiyah land in Riyadh	1,447,900	648,500
	982,380,388	**984,098,303**

The properties under development were presented in the statement of financial position based on the current portion - within non-current assets (which represents portion expected to be sold within one year) and the non-current portion - within the non-current liabilities (which represents portion expected to be sold after more than one year) as follows:-

	30 June 2026 (unaudited)	31 December 2025 (audited)
9.1 Properties for development and sale - current portion	920,401,486	922,119,401
9.2 Properties for development and sale - non-current portion	61,978,902	61,978,902
	982,380,388	**984,098,303**

(Expressed in Saudi Riyals)

9. Properties for development and sale...(continued)

The movement on properties for development and sale was as follows:
The period ended June 30, 2026

	Developed lands	Work in progress	Total
Opening balance for the period	974,047,550	10,050,753	984,098,303
Additions during the period	-	2,182,463	2,182,463
Cost of sold units during the period	(2,538,395)	(1,361,983)	(3,900,378)
Balance at the end of the period	**971,509,155**	**10,871,233**	**982,380,388**

Properties for development and sale include developed lands with works under development amounting to SR 970,334,866 million that are mortgaged against long-term loans (Note 16) under an agreement in favor of local banks.

- For the year ended 31 December 2025

	Lands	Work in progress	Total
Balance at beginning of year	217,928,552	20,439,832	238,368,384
Additions during the year	19,568,949	70,576,451	90,145,400
Settlements during the year	-	(853,266)	(853,266)
Cost of sold units during the year	(117,739,562)	(80,112,264)	(197,851,826)
Transferred from contract assets (note 8)	938,139,611	-	938,139,611
Transferred to investment properties (note 5.2)	(83,850,000)	-	(83,850,000)
Balance at year-end	**974,047,550**	**10,050,753**	**984,098,303**

10. Trade receivables and other debit balances	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Customers (note 10.1)	112,232,259	171,664,279
Less: Provision for expected credit loss (note 10.2)	(23,817,081)	(22,346,309)
Trade receivables - net	**88,415,178**	**149,317,970**
Advances to contractors and suppliers	70,402,507	72,397,580
Margin on letters of guarantee	30,498,132	27,160,792
Good performance retentions	102,074,235	105,160,256
Zakat, Tax and Customs Authority	11,203,105	21,815,187
Prepaid expenses	11,926,589	11,232,009
Employee receivables and advances	3,721,626	4,107,712
Other	778,347	806,822
	319,019,719	**391,998,328**

10.1 Aging of customers' debts	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Up to a month	16,107,997	91,236,761
1-2 months	4,884,148	13,241,477
From 2-3 months	12,701,958	852,773
Over 3 months	26,673,801	9,185,651
More than a year	51,864,355	57,147,617
	112,232,259	**171,664,279**

10.2 Movement of provision for expected credit losses	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Balance at beginning of period/year	22,346,309	15,461,655
Provided during the period/year	1,732,354	7,334,317
Provision no longer required during the period / year	(261,582)	(449,663)
	23,817,081	**22,346,309**

(Expressed in Saudi Riyals)

11. Related party transactions

11.1 Due from related parties

Related parties	Nature of relationship	30 June 2026 (unaudited)	31 December 2025 (audited)
Opal Aljazirah Security Guards Company	Owned by Chairman and Deputy Chairman, Board of Directors	3,805,229	3,291,687

11.2 Due to related parties

Related parties	Nature of relationship	30 June 2026 (unaudited)	31 December 2025 (audited)
Musharaka Financing Company	The Chief Executive Officer of Musharaka Financing Company, who previously served as the Vice Chairman of the Board of Directors of LADUN Investment Company during the prior board term, which ended on 17 September 2025.	1,258,900	1,758,900
Built Construction Technology Factory	Affiliate	2,500	-
		1,261,400	**1,758,900**

11.3 Significant transactions with related parties

Related parties	Nature of transaction	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Opal Aljazirah Security Guards Establishment	Payment of expenses on behalf	513,542	4,231,819
	Rendering security guard services	-	(2,661,711)
Lak Investment and Trade Company	Payment of expenses on behalf	-	34,500
Musharaka Financing Company	Closing and settlement of income for Jazla and C-Shore Residential Complex	-	(1,078,305)
	Invoiced operating and maintenance services rendered	500,000	500,000

11.4 Salaries, allowances and remunerations of Senior Executives and the Board of Directors	30 JUNE 2026 (unaudited)	30 JUNE 2025 (unaudited)
Salaries, benefits and remunerations	8,335,825	8,995,808
Board of Directors remunerations	848,219	825,000
	9,184,044	**9,820,808**

12. Financial assets at fair value through profit or loss	30 June 2026 (unaudited)	31 December 2025 (audited)
Portfolio of investments in listed companies' shares (Note 12.1)	**20,492,000**	**23,418,250**

12.1 Movement in the portfolio of investments in listed companies' shares	30 June 2026 (unaudited)	31 December 2025 (audited)
Balance at beginning of period/year	23,418,250	25,653,000
Profit/(loss) from revaluation during the period/year	(2,926,250)	(2,234,750)
Balance at end of the period/ year	**20,492,000**	**23,418,250**

Dividends for the period ended 30 June 2026 amounted to SAR 417,500.

The portfolio includes pledged shares with a fair value of SR 14,862,500 as at 30 June 2026 against long-term loans amounting to SR 17,688,500.

(Expressed in Saudi Riyals)

	30 June 2026 (unaudited)	31 December 2025 (audited)
13. Cash and cash equivalents		
Banks - current accounts	51,759,688	70,672,679
Banks - investment portfolio	418,478	162,978
	52,178,166	**70,835,657**
Less:		
Restricted cash (escrow accounts)*	(23,483,260)	(26,827,249)
Banks - Overdraft	(5,000,000)	(5,000,000)
	23,694,906	**39,008,408**

* Restricted cash represents the value of the amounts collected from the sale off-plan residential units. The amounts are reserved for the escrow account for the purpose of disbursing them on off-plan sales projects.

14. Share capital

The Company's issued share capital is SR 500 million, divided into 500 million shares of equal value, SR 1 per share, all of which are ordinary shares, as follows:

	Shareholding %		Number of shares Share / Thousand		30 June 2026 (unaudited)	31 December 2025 (audited)
Shareholder's shares	**30 June 2026**	**2025**	**30 June 2026**	**2025**		
Adiyat Investment Company	13.559%	13.559%	67,795	67,795	67,795,000	67,795,000
Prince Faisal bin Saad bin Saud Al-Saud	5.629%	5.629%	28,145	28,145	28,145,000	28,145,000
Other shareholders	80.812%	80.812%	404,060	404,060	404,060,000	404,060,000
	100%	**100%**	**500,000**	**500,000**	**500,000,000**	**500,000,000**

15. Statutory reserve

On 29/11/1446H, corresponding to 27 May 2025, the Extraordinary General Assembly, pursuant to Resolution No. (1) of 2025, approved the transfer of the entire statutory reserve as presented in the consolidated financial statements for the year ended 31 December 2024, amounting to SR 30,640,628, to retained earnings.

	30 June 2026 (unaudited)	31 December 2025 (audited)
16. Long-term loans		
Balance beginning of period/year	751,259,022	951,391,288
Proceeds during the period/year	56,504,754	163,929,871
Repayments during the period/year	(54,830,082)	(423,167,213)
Charged to finance costs	24,588,300	56,070,161
Finance costs charged to investment properties	2,149,260	3,034,915
	779,671,254	751,259,022

	30 JUNE 2026 (unaudited)	31 December 2025 (audited)
16.1 Current portion	447,016,940	479,189,118
16.2 Non-current portion	332,654,314	272,069,904
	779,671,254	**751,259,022**

(Expressed in Saudi Riyals)

16. Long-term loans... (Continued)

- The Group obtained bank facilities from local banks totaling SR1,1398 million, including general facilities, term sale financing, capital requirements financing, financing of existing projects and letters of guarantee. These facilities are compatible with the provisions of Islamic Shariah. The movement of loans Obtained in the period under the banking facilities was as follows:
- The Group obtained a long-term Shariah-compliant financing facility from Al Rajhi Bank to finance 80% of the total cost of the LADUN Residential Tower Project in Riyadh. The facility is structured against annual lease payments, with a tenure of 10 years, including a grace period of 36 months at an amount of 16.5 million.

The Group obtained a Shariah-compliant long-term financing facility from Tarmeez Company in the amount of SR 40 million.

The above borrowings were obtained at prevailing market rates and are secured by the following collateral and guarantees:

1. A performance and payment bond and a personal guarantee from Shareholders and The members of the Board of Directors.
2. Mortgage over real estate assets being financed, including items classified under property, plant and equipment, investment properties, contract assets, and properties held for development and sale.
3. Mortgage of an investment portfolio with a coverage ratio of 125% in respect of long-term financing.
4. Transfer of the Jeddah-Venan Project and Al-Usaylah Development project revenues to the bank.
5. Corporate guarantees provided by Ladun Company, Built Company, Adiyat Company, and Ashar Investment Company.
6. Signing the promissory notes
7. The Group has undertaken, under agreements with Al Rajhi Bank, that the current ratio shall not be less than 1.0 throughout the financing period, the leverage ratio shall not exceed 1.25 throughout the financing period, and the debt service coverage ratio shall not be less than 1.25 throughout the financing period.
8. Others as per the agreement of bank facilities

17. Short-term loans	**30 June 2026 (unaudited)**	**31 December 2025 (audited)**
Balance beginning of period/year	261,202,887	174,148,806
Proceeds during the period/year	80,107,378	243,884,778
Repayments during the period/year	(99,324,738)	(174,625,046)
Charged to finance costs	10,526,372	17,794,349
Balance at end of the period/year	**252,511,899**	**261,202,887**

- The Company obtained bank facilities from local banks totaling SR944 million, representing Tawarruq financing, direct credit alternatives secured letters of guarantee. These facilities are compatible with the provisions of Islamic Shariah.

At prevailing market rates and subject to the following collateral and guarantees:

A performance and payment bond and a personal guarantee from Shareholders and Board of Directors.

- Mortgage of real estate
- Signing the promissory notes
- Others as per the agreement of bank facilities

(Expressed in Saudi Riyals)

	30 June 2026 (unaudited)	31 December 2025 (audited)
18. Trade accounts payable and other credit balances		
Trade payables	264,241,583	266,275,436
Payables - Purchase of investment properties	105,000,000	105,000,000
National Housing Company *	74,616,409	79,216,409
Advances from customers	248,254,548	291,290,638
Accrued bonuses	825,000	1,622,157
Value Added Tax	34,402,384	35,499,577
Performance bond	47,748,971	46,242,379
Employee payables	20,733,742	20,250,754
Advance rental income	11,756,186	20,499,840
Deposits - reservation of units	1,526,990	1,301,986
Insurance for others	1,657,137	1,718,119
Accrued interests	3,150,308	3,818,385
Other	1,820,528	1,988,480
	815,733,786	**874,724,160**

* The balance represents the amounts due to the National Housing Company, which is an interest-free loan to finance the projects of the Ministry of Housing, in the form of an incentive to finance the Group, provided that the half amount is paid when 80% of the total units for each project are collected. The other half will be paid when the collection of total units for each project exceeds 90%.

19. Zakat provision	**30 JUNE 2026 (unaudited)**	**31 December 2025 (audited)**
19-1 Movement in zakat provision		
Balance at beginning of the period/year	2,591,511	2,916,559
Paid during the period/year	(1,756,908)	(2,169,114)
Provided for the period/year	568,295	1,844,066
Balance at end of the period/year	**1,402,898**	**2,591,511**

19.2 Zakat status

The parent company (Ladun Investment Company) submitted the consolidated Zakat return for the group for the year ended December 31, 2025. The parent company also submitted information returns for the subsidiaries for the same year and obtained a valid certificate until April 30, 2027.
The parent company received final Zakat assessments up to the end of 2023 and made the required payments.
The parent company submitted Zakat returns for the years 2021 and 2022 and paid the Zakat due according to the returns. No final assessments have been issued to date.
The Parent Company filed its zakat returns for 2024 and 2025 and paid the zakat due based on the returns. The zakat examination is currently in progress by the Zakat, Tax and Customs Authority.

(Expressed in Saudi Riyals)

20- Revenues

	For the three-month period ended		for the six-month period ended	
	30 JUNE 2026 (unaudited)	**30 JUNE 2025 (unaudited)**	**30 JUNE 2026 (unaudited)**	**30 JUNE 2025 (unaudited)**
Revenue from off-plan sales	20,434,142	94,681,774	20,434,142	240,381,892
Operation and maintenance revenue	5,391,142	12,030,795	11,041,643	20,174,420
Rental income from complexes	9,906,619	2,791,461	19,069,372	11,791,461
Revenue from construction	84,725,462	163,046,824	195,798,075	263,427,664
Sales revenue from construction materials sector	28,219,411	40,841,497	64,854,416	102,242,977
Human resources service revenue	314,086	662,825	782,250	1,394,130
Other income	1,208,338	-	1,501,158	-
	150,199,200	**314,055,176**	**313,481,056**	**639.412.544**

21. Cost of revenue

	For the three-month period ended		for the six-month period ended	
	30 JUNE 2026 (unaudited)	**30 JUNE 2025 (unaudited)**	**30 JUNE 2026 (unaudited)**	**30 JUNE 2025 (unaudited)**
Subcontractors cost	39,774,979	54,565,482	105,829,798	135,829,107
Cost of construction materials	34,550,208	54,434,129	59,734,772	104,337,100
Revenue from off-plan sales	7,211,648	65,253,574	7,211,648	151,543,683
Cost of maintenance and operation service fees, residential complexes	5,432,242	10,050,569	5,432,242	10,050,569
Depreciation on right-of-use assets (note 6.1)	116,931	117,946	220,079	241,090
Depreciation on investment properties (note 5)	6,125,770	5,396,049	11,931,567	11,172,665
Salaries, wages and related expenses	24,975,808	29,193,414	51,910,690	60,213,089
Defined employee benefit obligations	93,296	-	93,296	-
Depreciation on property, plant and equipment	1,889,044	1,454,583	4,071,834	3,477,442
Fees and subscriptions	4,577,137	4,185,242	7,728,324	8,003,111
Rental expense	3,930,356	3,501,583	7,479,601	8,282,786
Maintenance and repair	-	-	4,122,717	3,723,397
Insurance	391,651	933,720	1,858,707	2,397,994
Travel and transportation	565,155	-	1,314,963	1,430,590
Electricity, water, phone, fax and post	578,972	248,204	1,030,696	1,674,749
Consultancy fees	621,773	-	1,874,458	-
Commissions	-	1,276	19,690	365,086
Other costs	-	1,466,074	2,528,101	4,090,940
	130,834,970	**230,801,845**	**274,393,183**	**506,833,398**

22. Earnings per share

Basic and diluted earnings/(loss) per share are calculated by dividing net profit/ (loss) for the period attributable to the Company's Shareholders by the weighted average number of shares issued as follows:

	For the three-month period ended		for the six-month period ended	
	30 JUNE 2026 (unaudited)	**30 JUNE 2025 (unaudited)**	**30 JUNE 2026 (unaudited)**	**30 JUNE 2025 (unaudited)**
Net profit for the period	(34,145,710)	26,888,883	(73,912,074)	21,321,066
Weighted average number of shares issued	500,000,000	500,000,000	500,000,000	500,000,000
Basic and diluted (loss)/earnings per share	**(0,07)**	**0,05**	**(0,15)**	**0,04**

(Expressed in Saudi Riyals)

23. Segment reporting

For the Six-month period ended 30 June 2026

	Real Estate Investment Segment	Construction Segment	Industrial Segment	Service Segment	Total
Revenue	39,503,513	195,798,075	64,854,416	13,325,052	313,481,056
Gross profit	16,156,548	20,831,775	(1,336,970)	3,436,520	39,087,873
Net (loss) / profit for the period	(40,223,791)	(18,078,385)	(16,390,180)	780,282	(73,912,074)
Total assets	1,935,657,211	505,070,331	279,151,803	21,964,748	2,741,844,093
Total liabilities	1,498,804,545	516,916,596	192,816,955	29,344,720	2,237,882,816

For the Six-month period ended 30 June 2025

	Real Estate Investment Segment	Construction Segment	Industrial Segment	Service Segment	Total
Revenue	277,495,585	247,473,148	101,456,465	12,987,346	639,412,544
Gross profit	64,399,340	39,629,313	19,836,438	8,714,055	132,579,146
Net loss / profit for the period	(2,390,573)	7,441,887	9,512,731	6,757,021	21,321,066
Total assets	2,074,039,903	511,411,530	253,198,935	15,210,222	2,853,860,590
Total liabilities	1,495,763,195	533,900,747	156,221,975	14,273,310	2,200,159,227

FOR THE YEAR ENDED 31 DECEMBER 2025

Total assets	1,878,358,698	584,097,656	274,346,883	20,106,063	2,756,909,300
Total liabilities	1,428,250,132	485,131,611	255,309,403	10,716,511	2,179,407,657

24. Financial Instruments

Share capital management

The Company's objectives when managing the share capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for the Shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure that reduces the cost of share capital. The company, like other companies operating in the same field, monitors the share capital on the basis of the debt ratio.

Financial instruments and risk management

The Group's activities are exposed to various financial risks including: Liquidity risk, credit risk, and market risk (include currency risk, fair value risk, cash flow of commission rate and price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Group's financial instruments comprise financial assets (cash and cash equivalents, trade receivables, investments at fair value through profit or loss, and other receivables) and financial liabilities (banks, credit facilities, trade and other payables).

Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group manages and monitors liquidity risks on a regular basis to ensure that sufficient funds are available through bank facilities to meet any future commitments.
All current liabilities are expected to be settled within 12 months as of the date of the financial statements. Trade payables are typically settled within 30 to 60 days from the date of purchase or service delivery.

Credit risks

A credit risk refers to the risk that a customer or a counter party in a financial instrument will default on its contractual obligations resulting in financial loss to the Group and arises principally from the cash at banks and receivables. The Group minimizes credit risks associated with receivables by establishing procedures for credit limits for each customer and monitoring outstanding receivables in line with a set of procedures and policies. Cash is deposited with high credit rated banks.

Market risk

Market risk is the risk of fluctuations in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates, and equity rates, which affect the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable parameters while maximizing returns.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates affecting foreign currency payments and receipts along with assessment of assets and liabilities in foreign currencies.
The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Management regularly monitors changes in foreign exchange rates and manages the impact on the financial statements.

(Expressed in Saudi Riyals)

24. Financial Instruments... (Continued)

Fair value risk
Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Since the Group's financial statements are prepared under the historical cost principle, differences may arise between the carrying amount and the fair value estimates. The Group's Management believes that the fair value of the Group's financial assets and liabilities approximates their balances carried forward.
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, ، or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring fair value, the Group uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:
Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
If multiple inputs used to measure fair value are categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. During the period there were no transfers between the fair value levels of Level 1 and Level 2.
Where the Group's financial instruments are grouped according to the historical cost principle, except for investments and derivative financial instruments charged at the fair value, differences may arise between the carrying amount and the fair value estimates. The management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying amount.

The financial assets measured at fair value are as follows	**Level 1**	**Level 2**	**Level 3**	**Total**
The period ended June 30, 2026				
Assets				
Financial assets at fair value through other comprehensive income	37,430,000	-	-	37,430,000
Financial assets at fair value through profit or loss:	20,492,000	-	-	20,492,000

The financial assets measured at fair value are as follows	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2025				
Assets				
Financial assets at fair value through other comprehensive income	38,760,000	-	-	38,760,000
Financial assets at fair value through profit or loss:	23,418,250	-	-	23,418,250

25. Comparative figures
Certain comparative figures for prior periods presented have been reclassified to conform to the presentation of the condensed consolidated financial statements for the current period.

26. Events subsequent to financial statements date

Management believes that there are no other subsequent events since the date of the interim condensed statement of financial position as at June 30, 2026, and up to the date of preparation of these interim condensed consolidated financial statements that would have a material impact on the financial position of the company.

27. Approval of interim condensed consolidated financial statements
The interim condensed consolidated financial statements for the six-month period ended June 30, 2026 were approved by the Group's Board of Directors on 23 Safar 1448H (06 August 2026).