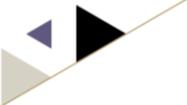


# Arriyadh Development Company (A Saudi Joint Stock Company)

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025



Arriyadh Development Company  
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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## **INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (A SAUDI JOINT STOCK COMPANY)**

### **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the consolidated financial statements of Arriyadh Development Company – A Saudi Joint Stock Company and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)  
(A SAUDI JOINT STOCK COMPANY)**

**Key Audit Matters (Continued)**

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue</b> The Group 's revenue primarily consists of rental, operating and sale of lands revenue, totaling SR 384.1 million for the year ended 31 December 2025.</p> <p>We considered this as a key audit matter, as there are inherent risks about the accuracy of the recorded revenues due to the impact of the details of the contracts on the revenue recognition process, which may affect its recoding at a higher or lower value than its actual value, in addition to the materiality of the amounts related to revenues.</p> <p><i>Please Refer to note (3) for material accounting policy information related to revenue recognition and note (20) for revenue details.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Group’s revenue recognition policies for compliance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.</li> <li>• Tested the effectiveness of the design and implementation of key controls over the revenue recognition process.</li> <li>• Performed analytical procedures by comparing revenue expectations with actual results and analyzed variances.</li> <li>• Tested a sample of customer invoices and contracts to verify the revenue recording process.</li> <li>• Recalculated a sample of rental income for a sample of contracts to verify the accuracy of the recording.</li> <li>• Assessed the adequacy of the relevant disclosures in the consolidated financial statements.</li> </ul>

**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)  
(A SAUDI JOINT STOCK COMPANY)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment on investment properties</b> As at 31 December 2025, investment properties amounted to SR 2,259 billion, representing 51% of the Group’s total assets, which are presented at cost, net of accumulated depreciation and impairment, if any.</p> <p>For the purposes of impairment assessment testing and the disclosure of the fair value in the Group’s consolidated financial statements, investment properties are valued by an accredited independent external valuer expert (“the Valuer”) who performs the valuation using generally accepted valuation approaches and methodology, based on assumptions and estimates related to several factors affecting the fair value of the investment properties.</p> <p>We considered this as a key audit matter as impairment assessment testing of the investment properties requires significant judgments by management and also involves key estimates, in addition to the materiality of the amounts involved.</p> <p><i>Please refer to note (3) for material accounting policy information related to investment properties and note (5) for details of investment properties and their fair values.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Valuer’s objectivity, independence and experience.</li> <li>• Compared the fair value of investment properties at year end with the amounts included in the valuation report provided by the Valuer.</li> <li>• Assessed the valuation approaches and methodology used by the Valuer.</li> <li>• Assessed, on a sample basis, the real estate valuations carried out by the valuer, with the help of our specialists, to assist us in evaluating the reasonableness of the key assumptions used to determine the fair values of the investment properties.</li> <li>• Checked the title deeds of the investment properties.</li> <li>• Assessed the adequacy of the relevant disclosures in the consolidated financial statements.</li> </ul>

**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)  
(A SAUDI JOINT STOCK COMPANY)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Classification of investments in associates and a joint venture</b> As at 31 December 2025, the Group’s investments in associates and a joint venture amounted to SR 826.8 million, and the Group’s share of results for the year amounted to SR 47.9 million.</p> <p>The Group classified these investments as associates and joint ventures in the consolidated financial statements and accounted for them using the equity method on the basis that it does not control these investees but has either significant influence or joint control.</p> <p><b>We considered this as a key audit matter as the process of assessing control, joint control or significant influence over an investee is subject to professional judgment by management, in addition to the materiality of the amounts involved.</b></p> <p><i>Please refer to Note (3) for material accounting policy information relating to the investments in associates and a joint venture and note (8) for details of investments in associates and a joint venture.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Looked into the legal documents and agreements related to the associates and the joint venture.</li> <li>• Discussed with management regarding the management of the operations and management structure of the associates and the joint venture, direction of the related activities under contractual arrangements and checking the relevant minutes.</li> <li>• Assessed the factors related to the contractual arrangements adopted by the Group to conclude that there was no control, and there was either significant influence or joint control.</li> <li>• Assessed the adequacy of the relevant disclosures in the consolidated financial statements.</li> </ul>



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)  
(A SAUDI JOINT STOCK COMPANY)**

**Other information included in The Group's 2025 Annual Report**

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)  
(A SAUDI JOINT STOCK COMPANY)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED) (A SAUDI JOINT STOCK COMPANY)**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

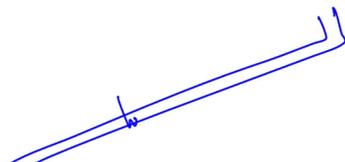
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

  
Fahad M. Al-Toaimi  
Certified Public accountant  
License No. (354)



Riyadh: 16 Ramadan 1447H  
(5 March 2026)

Arriyadh Development Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(All Amounts in Saudi Riyals unless otherwise stated)

	<i>Notes</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	19,548,083	19,783,021
Investment properties	5	2,259,593,546	853,211,363
Investment properties under development	6	14,098,113	1,501,380
Right-of-use assets	7	8,611,973	9,700,753
Investment in an associate and a joint venture	8	826,875,815	756,399,865
Investments designated at FVTPL	9	184,479,915	-
Advance payment for subscription to a real estate fund	9	-	182,481,748
Murabaha investment deposits – long term	12	-	630,000,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,313,207,445</b>	<b>2,453,078,130</b>
<b>CURRENT ASSETS</b>			
Accounts receivable, prepayments and other receivables	10	61,432,641	46,760,117
Due from related parties	11	7,751,363	46,299,775
Murabaha investment deposits – short term	12	1,025,000,000	300,000,000
Cash at banks	24	31,491,631	40,915,578
		<b>1,125,675,635</b>	<b>433,975,470</b>
Assets held for sale	13	2,002,840	22,475,649
<b>TOTAL CURRENT ASSETS</b>		<b>1,127,678,475</b>	<b>456,451,119</b>
<b>TOTAL ASSETS</b>		<b>4,440,885,920</b>	<b>2,909,529,249</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	2,339,308,180	1,777,777,770
Additional share capital	14	842,295,615	-
Statutory reserve	15	-	184,701,083
Retained earnings		945,447,922	581,365,746
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4,127,051,717</b>	<b>2,543,844,599</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	7	42,114,635	46,390,001
End of service benefits provision	16	16,604,724	13,754,456
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>58,719,359</b>	<b>60,144,457</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable, accrued expenses and other payables	17	144,071,246	172,189,001
Due to related parties	11	-	12,535,173
Lease liabilities - current portion	7	7,563,951	7,794,706
Accrued dividends payable	18	77,755,572	76,387,682
Zakat provision	19	25,724,075	36,633,631
<b>TOTAL CURRENT LIABILITIES</b>		<b>255,114,844</b>	<b>305,540,193</b>
<b>TOTAL LIABILITIES</b>		<b>313,834,203</b>	<b>365,684,650</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>4,440,885,920</b>	<b>2,909,529,249</b>

  
Chief Financial Officer  
Mr. Mohammed bin Ahmed Al-Kulaib

  
Member of the Board of Directors  
and Chairman of the Audit Committee  
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani

  
Chief Executive Officer  
Mr. Jehad bin Abdulrahman Al-Kadi

The attached notes (1) to (34) form an integral part of these financial statements.

Arriyadh Development Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
Revenue	20	384,157,259	321,517,468
Costs of revenue	21	(118,524,251)	(121,563,544)
<b>Gross profit</b>		<b>265,633,008</b>	<b>199,953,924</b>
General and administrative expenses	22	(74,811,402)	(99,741,339)
<b>Profit for the year from main operations</b>		<b>190,821,606</b>	<b>100,212,585</b>
Finance costs - Lease liabilities	7	(3,032,549)	(2,514,633)
Murabaha Investment deposits' income	12	56,905,758	57,459,747
Group's share of profit of Investment in an associate and a joint venture	8	47,987,128	125,859,069
Unrealized gains from investments designated at FVTPL	9	1,998,167	-
Gain from sale of Investment properties	5	-	17,187,949
Other income	23	25,916,570	28,195,162
<b>Net profit for the year before Zakat</b>		<b>320,596,680</b>	<b>326,399,879</b>
Zakat expense	19	(24,534,395)	(30,203,434)
<b>NET PROFIT FOR THE YEAR</b>		<b>296,062,285</b>	<b>296,196,445</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>			
Actuarial gains of end of service benefits provision	16	284,217	149,291
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>284,217</b>	<b>149,291</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>296,346,502</b>	<b>296,345,736</b>
<b>EARNINGS PER SHARE</b>			
Basic and diluted earnings per share from net profit for the year	32	<b>1.30</b>	<b>1.67</b>



Chief Financial Officer  
Mr. Mohammed bin Ahmed Al-Kulaib



Member of the Board of Directors  
and Chairman of the Audit Committee  
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani



Chief Executive Officer  
Mr. Jehad bin Abdulrahman Al-Kadi

The attached notes (1) to (34) form an integral part of these financial statements.

Arriyadh Development Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

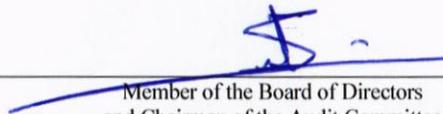
For the year ended 31 December 2025

(All Amounts in Saudi Riyals unless otherwise stated)

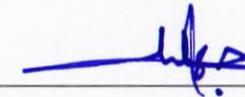
	Share capital	Additional share capital	Statutory reserve	Retained earnings	Revaluation reserve of investments designated at FVOCI	Total shareholders' equity
Balance as at 1 January 2024	1,777,777,770	-	155,081,438	450,786,058	(2,813,070)	2,380,832,196
Net profit for the year	-	-	-	296,196,445	-	296,196,445
Other comprehensive income for the year	-	-	-	149,291	-	149,291
Total comprehensive income for the year	-	-	-	296,345,736	-	296,345,736
Transferred from retained earnings to statutory reserve	-	-	29,619,645	(29,619,645)	-	-
Transferred from the revaluation reserve of investments designated at FVOCI to retained earnings	-	-	-	(2,813,070)	2,813,070	-
Dividends (note 29)	-	-	-	(133,333,333)	-	(133,333,333)
Balance as at 31 December 2024	1,777,777,770	-	184,701,083	581,365,746	-	2,543,844,599
<b>Balance as at 1 January 2025</b>	<b>1,777,777,770</b>	<b>-</b>	<b>184,701,083</b>	<b>581,365,746</b>	<b>-</b>	<b>2,543,844,599</b>
Net profit for the year	-	-	-	296,062,285	-	296,062,285
Other comprehensive income for the year	-	-	-	284,217	-	284,217
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296,346,502</b>	<b>-</b>	<b>296,346,502</b>
Transferred from statutory reserve to retained earnings (note 15)	-	-	(184,701,083)	184,701,083	-	-
Increase in share capital and additional share capital (Note 14)	561,530,410	842,295,615	-	-	-	1,403,826,025
Dividends (note 29)	-	-	-	(116,965,409)	-	(116,965,409)
<b>Balance as at 31 December 2025</b>	<b>2,339,308,180</b>	<b>842,295,615</b>	<b>-</b>	<b>945,447,922</b>	<b>-</b>	<b>4,127,051,717</b>



Chief Financial Officer  
Mr. Mohammed bin Ahmed Al-Kulaib



Member of the Board of Directors  
and Chairman of the Audit Committee  
Mr. Suleiman bin Nasser Al Hatlan Al-Qahatani



Chief Executive Officer  
Mr. Jehad bin Abdulrahman Al-Kadi

The attached notes (1) to (34) form an integral part of these financial statements.

Arriyadh Development Company  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
<b>OPERATING ACTIVITIES:</b>			
Net profit for the year		296,062,285	296,196,445
<i>Adjustments:</i>			
Depreciation		42,707,741	44,495,407
Finance costs - Lease liabilities	7	3,032,549	2,514,633
Settled of a provision for prior years	23	(9,095,860)	(26,771,963)
Unrealized gains from investments designated at FVTPL	9	(1,998,167)	-
Murabaha Investment deposits' income	12	(56,905,758)	(57,459,747)
(Reversed) Provided for expected credit loss allowance	10	(2,841,694)	7,908,539
Group's share of profit of Investment in an associate and a joint venture	8	(47,987,128)	(125,859,069)
Gain from sale of property, plant and equipment		(5,718)	-
Gain from sale of investment properties	5	(90,667,381)	(17,187,949)
Settlement of a provision previously provided for prior year for investments designated at FVOCI		-	(13,753)
Gain on buildings received upon lease termination		(12,500,000)	-
Transferred from projects in progress to expense and other adjustment		(782,599)	-
Provision of end of service benefits	16	3,625,516	3,479,775
Provision of Zakat	19	24,534,395	30,203,434
		147,178,181	157,505,752
<i>Changes in working capital:</i>			
Accounts receivable, prepayments and other receivables		24,406,019	15,737,295
Accounts payable, accrued expenses and other payables		(19,021,895)	(50,647,825)
Net change in related parties' balances		32,494,080	(33,764,602)
End of service benefits Paid	16	(491,031)	(1,980,303)
Finance costs paid - Lease liabilities		(3,032,549)	(2,514,633)
Zakat Paid	19	(35,443,951)	(20,392,176)
Net cash flows from operating activities		146,088,854	63,943,508
<b>INVESTING ACTIVITIES</b>			
Change in Murabaha investment deposits, net	12	(95,000,000)	(330,000,000)
Murabaha Investment deposits' income	12	20,668,909	55,310,497
Purchase of property, plant and equipment	4	(6,217,377)	(11,354,516)
Proceeds from sale of property, plant and equipment		16,522	-
Proceeds from sale of investment properties		96,548,715	-
Proceeds from liquidation of investments designated at FVOCI		-	986,929
Additions to investment properties under development	6	(21,972,527)	(83,362,838)
Capital contribution in investment in an associate and a joint venture	8	(25,000)	(513,400)
Additional contribution in investment in an associate and a joint venture	8	(49,278,449)	-
Advance payment for subscription to a real estate fund	9	-	(182,481,748)
Carrying value disposed received of investment in an associate and a joint venture		89,778	-
Dividends received from associates	8	26,843,253	348,287,600
Net cash flows used in investing activities		(28,326,176)	(203,127,476)
<b>FINANCING ACTIVITIES</b>			
Dividend paid	29	(115,597,519)	(131,196,883)
Finance provided to related parties	11	(6,599,245)	-
Lease liabilities paid	7	(4,989,861)	(3,685,367)
Net cash flows used in financing activities		(127,186,625)	(134,882,250)
Net decrease in cash and cash equivalents		(9,423,947)	(274,066,218)
Cash and cash equivalents at the beginning of the year	24	40,915,578	314,981,796
Cash and cash equivalents at the end of the year	24	31,491,631	40,915,578
<b>NON-CASH TRANSACTIONS</b>			
Reclassification of advance payments for subscription to a real estate Fund to investments designated at FVTPL		182,481,748	-
Purchase of investment properties against equity shares		1,403,826,025	-
Gain on buildings received upon lease termination		12,500,000	-
Transfer from investment properties under development to investment properties		10,588,624	-
Purchase of investment properties against accrual		2,186,210	-
Accrued dividend		1,367,890	2,136,450
Reclassification from investment properties under development to property, plant and equipment		973,380	-
Transfer from assets held for sale to investment properties		(20,227,954)	-
Loss in investment in an associate and a joint venture		(118,404)	-
Transferred from investment properties, property, plant, equipment, and investments properties under development to investment in an associate and a joint venture		-	(725,308,121)
Transfer from investment properties to assets held for sale		-	(20,227,954)
Additions to associates		-	741,050,519
Additions to right of use assets		-	9,783,538

The attached notes (1) to (34) form an integral part of these financial statements.

# Arriyadh Development Company (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (All Amounts in Saudi Riyals unless otherwise stated)

### 1 CORPORATE INFORMATION

Arriyadh Development Company (A Saudi Joint Stock Company) (hereinafter referred to as the “Company” or “Group”) was established by Royal Decree No. M/2 dated 9 Safar 1414H (corresponding to 28 July 1993). The Company is registered in the Kingdom of Saudi Arabia under the Unified National No. 7001367601 and under CR No. 1010124500, issued in the city of Riyadh on 29 Thul-Qi’dah 1414H (corresponding to 10 May 1994). The Company is listed on the Saudi Stock Exchange (Tadawul). The Company’s Head Office is located in Riyadh, Kingdom of Saudi Arabia and the Address is 6631 King Fahad Branch, Al Dirah District, Riyadh 12634-2411, Saudi Arabia.

The principal activities of the Company are the purchase and sale of lands and real estate, its division, off-plan sales activities, management and leasing of owned or leased out residential and non-residential properties, in addition to real estate development of residential and commercial buildings using modern construction methods, as well as the wholesale and retail sale of new and used private cars, including ambulances, minibuses and four-wheel drive vehicles.

On 3 February 2025, the Company's General Assembly approved amending the Company's By-laws to comply with the new Companies’ Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022). The legal procedures for amending the By-laws were completed and published on the Tadawul platform.

The accompanying consolidated financial statements comprise the financial statements of the Company and its following subsidiaries:

<i>Group Name</i>	<i>Country of Establishment</i>	<i>Ownership</i>	
		<i>30 December 2025</i>	<i>31 December 2024</i>
Alrmal logistics park Company (a)	Saudi Arabia	<b>100%</b>	-
Hulul Salasil Imdad Almontajat Altazija Company (b)	Saudi Arabia	<b>100%</b>	-

#### a) Alrmal logistics park Company

On 22 September 2025, Al-Rimal Logistics Park Company was established as a limited liability company (one-person company) wholly owned by Arriyadh Development Company with a cash capital of SAR 10,000 divided into (10,000) shares, and approximately 98 thousand square meters of technical services land were transferred to Al-Rimal Logistics Park Company.

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it’s fully owned by Arriyadh Development Company.

#### b) Hulul Salasil Imdad Almontajat Altazija Company

On 5 October 2025, Hulul Salasil Imdad Almontajat Altazija Company was established as a closed joint stock wholly owned by Arriyadh Development Company with a cash capital of SAR 500,000 divided into (500,000) shares.

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it’s fully owned by Arriyadh Development Company.

## 2 BASIS OF PREPARATION AND CONSOLIDATION

### *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

### *Basis of preparation*

The consolidated financial statements have been prepared on the historical cost convention, except for the investments in equity instruments at fair value, and the recognition of employees' benefit obligations at the present value of future liabilities using the expected credit unit method. The consolidated financial statements are presented in Saudi Riyals ("SAR"), which is the Group's functional currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

### *Basis of consolidation*

Subsidiaries are companies controlled by the Group. Control is achieved when the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure to risk, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

In general, there is a presumption that a majority of voting rights result in control. In support of this assumption, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- Arrangement(s) with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired (or disposed) of during the year are included (or derecognized) in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted by the Group in preparing its consolidated financial statements are applied consistently as follows:

#### **Classification of assets and liabilities to “current” and “non-current”**

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- ▶ Expected to be realized or intended to be sold or consumed in the normal operating cycle
- ▶ Expected to be realized within twelve months after the reporting year, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

The Group classifies all other assets are classified as non-current.

A liability is current when it is:

- ▶ Expected to be settled in the normal operating cycle;
- ▶ Due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash at banks and other short-term highly liquid investments, if any, with maturities of less than three months from the acquisition date

#### **Assets held for sale**

Assets held for sale are recognized and measured in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

An asset is classified as held for sale if it meets the criteria specified in the standard, indicating that it is expected to be sold within one year from the consolidated financial statement’s date.

Assets held for sale are recognized at the lower of their carrying amount and fair value less costs to sell at the date of classification as held for sale. The carrying amount of the asset is not depreciated or amortized once it is classified as held for sale.

#### Measurement

- ▶ Carrying amount: The carrying amount of assets held for sale is determined based on their historical cost less any accumulated depreciation and impairment losses, adjusted for any revaluation surplus or deficit, where applicable.
- ▶ Fair value less costs to sell: Fair value less costs to sell is determined based on the estimated selling price in an arm's length transaction between knowledgeable, willing parties, less the estimated costs to sell.

Assets held for sale are presented separately in the consolidated financial statements under current assets, with separate disclosure of the nature and size of significant assets held for sale.

Significant judgements and assumptions applied in determining assets held for sale, as well as the nature and volume of assets classified as held for sale, are disclosed in the notes to the consolidated financial statements.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### **Fair value measurement**

The Group measures financial instruments such as investments in equity instruments at FVOCI, and investments at FVTPL at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of non-financial assets considers the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to other market participants that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.
- ▶ Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Investment properties

Investment properties include lands, buildings held by the Group for rental or capital development, or both. Investment properties are initially measured at cost. The fair value is determined on the basis of an annual valuation by an independent external valuer with recognized professional qualifications for the purpose of disclosure in the consolidated financial statements.

Investment properties are stated at cost less accumulated depreciation and impairment, if any. Such cost includes the cost of replacing part of the Investment properties. When significant parts of investment properties are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investments properties as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria related to recognized provision are satisfied.

The depreciation of buildings according to the straight-line method is calculated on the basis of their useful life by adopting the following annual ratios:

- ▶ Buildings 1.6% – 7% or the lease term, whichever is less.

Investment lands include lands wholly owned by the Group (except as mentioned in Note 5) that are carried at cost plus development expenses.

An item of investment properties and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss for the year when the asset is derecognized. The residual values, useful lives and methods of depreciation of investments properties are reviewed at each financial period end and adjusted prospectively, if appropriate.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position, unless the right-of-use asset meet the definition of investment property and in such case, it is presented in the consolidated statement of financial position within investment property.

#### Investment properties under development

Investment properties under development are recognized at cost and are not depreciated. Investment properties under development are represented by the amount incurred on the establishment or purchase of investment properties under development. Upon the completion and as appropriate, it is transferred to investment properties. Investment properties under development are stated at cost and any impairment is reviewed annually (if any).

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria related to recognized provision are satisfied.

Depreciation is calculated on a straight-line basis over the expected useful life of the assets as follows:

- ▶ Buildings 1.6% – 7% or the lease term, whichever is less.
- ▶ Plant and equipment 4 years
- ▶ Furniture and Decoration 4 years
- ▶ Motor vehicles 4 years
- ▶ Computers 4 years

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### **Property, plant and equipment (continued)**

The useful life and depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits of property, plant and equipment.

#### **Projects in Progress**

Projects in progress are recognized and are not depreciated. Depreciation of projects in progress begins when the assets are ready for their intended use and have been transferred to property, plant and equipment.

#### **Leases**

The Group assesses whether a contract contains a lease, at inception of the contract. For all such lease arrangements the Group recognizes right of use assets and lease liabilities, except for the short-term leases and leases of low value assets as follows:

##### The Group as A Lessee

At the inception of the contract, the Group determines whether the contract is a lease or involves a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Right of use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position, unless the right-of-use asset meet the definition of investment property and in such case, it is presented in the consolidated statement of financial position within investment property.

##### Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of commercial buildings, accommodations and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, accommodations and offices that are considered of low value (i.e., less than SAR 20,000). Lease payments on short-term leases and leases of low value assets are recognized as an expense on a straight-line basis over the lease term.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Leases (continued)

##### The Group as a lessor

Leases that do not transfer significant risk and benefits associated with asset ownership as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred during the negotiation and arrangement of an operating lease are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

#### Investment in an associate and a joint venture

An associate and joint venture are an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in an associate and a joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate and a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate and a joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the operations result of the associate. Any change in OCI of those investees is presented as a part of the Group's consolidated statement of comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and a joint venture are eliminated to the extent of the Group's share in the associate.

The financial consolidated statements of the associate and a joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those adopted by the Group.

After applying the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate and a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and a joint venture and its carrying value, and then recognizes the loss in 'Group's share of profit of Investment in an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Difference between the carrying amount of the associate and a joint venture upon loss of significant influence and the fair value of the retained investment and proceeds disposal is recognized in the consolidated statement of profit or loss.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### First: Financial Assets

The Group's financial assets include cash at banks, trade receivables and other receivables, Investment in an associate and a joint venture, investments at amortized cost, and amounts due from related parties.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model.

The Group classifies its financial assets within the following categories:

#### Classification

- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income ("FVTOCI").
- Financial assets at fair value through profit or loss ("FVTPL").

Trade receivables are initially recognized when originated. Trade receivables that do not contain a significant financing component or for which the Group uses the practical expedient are measured at the transaction price determined under IFRS 15. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument at fair value plus or minus, in the case of financial assets not at fair value through profit or loss, transaction costs.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election on initial recognition of certain investments in equity instruments that they will be measured at fair value unless otherwise made through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies financial assets only when its business model for managing those financial assets changes.

#### Initial Measurement

Except for trade receivables, at initial recognition, an entity shall measure a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Group uses the practical expedient are measured at the transaction price determined under IFRS 15.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments (continued)

First: financial assets (continued)

##### Subsequent Measurement

##### *Financial Assets at Amortized Cost*

The Group measures financial assets at amortized cost whether the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is included in finance income in profit or loss in the consolidated statement of profit or loss and other comprehensive income. Gains and losses are recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

##### *Financial assets designated at fair value through OCI ("FVOCI") (equity instruments)*

Upon initial recognition, the Group can classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses from these financial assets are never recycled to profit or loss in the consolidated statement of profit or loss and other comprehensive income. Dividends are recognized as other income in profit or loss in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

##### *Financial assets at fair value through profit or loss ("FVTPL").*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
  - a) The Group has transferred substantially all the risks and rewards of the asset, or
  - b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments (continued)

First: financial assets (continued)

##### Impairment

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

For trade receivables only, the Group recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Group has made a provision based on the experience of historical credit losses, adjusted to future factors related to debtors and the economic environment.

Evidence that financial assets are impaired may include indications that a debtor (or a group of debtors) is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected credit losses are initially measured at the difference between the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due cases, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost. The Group measures expected credit losses by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Financial instruments (continued)

##### Second: Financial Liabilities

The Group's financial liabilities include lease liabilities, trade payables, accruals and amounts due to related parties.

##### Classification

The entity must classify all financial liabilities as being measured –subsequently– at amortized cost, except for the following:

- a) Financial liabilities at fair value through profit or loss, and all such liabilities should be subsequently measured at fair value.
- b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

##### Initial measurement

Upon initial recognition, an entity shall measure a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

##### Subsequent measurement

After initial recognition, all financial liabilities are measured at amortized cost.

##### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss in the consolidated statement of profit or loss and other comprehensive income.

##### Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

#### Zakat and Tax

Zakat is provided by the Group in accordance with the Regulations of Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia, and the provision is charged to the consolidated statement of profit or loss and other comprehensive income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalization.

The Company is a VAT payer in accordance with the Saudi tax law. It is also responsible for collecting VAT outputs from customers for qualified services provided and to pay VAT inputs to its suppliers against eligible payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is incurred by the Company and is either expensed or in the case of property, plant, equipment, and intangibles payments, is capitalized and either depreciated or amortized as part of the capital cost.

The Company withholds taxes on certain transactions with non-resident counterparties in the Kingdom of Saudi Arabia as required under ZATCA regulations.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### End of service benefits provision

The obligations recognized in the consolidated statement of financial position in respect of the End of Service Benefits Provision, is the present value of the End of service benefits provision at the end of the reporting period. The End of service benefits provision are calculated annually by independent actuaries using the projected unit credit method.

The net finance cost is calculated by applying the discount rate to the net balance of the End of Service Benefits Provision. This cost is included in employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of profit or loss and other comprehensive income. They are included in retained earnings in the consolidated statement of changes in shareholders' equity and in the consolidated statement of financial position.

Changes in the present value of the End of Service Benefits Provision resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss and other comprehensive income as past service costs.

#### Revenue

Revenue is measured based on the amount specified in a contract with a customer and excludes the amount collected on behalf of third parties.

The Group recognizes revenue when it transfers control over a product or service to the customer. The application of the principles in IFRS 15 is carried out in five steps:

Step (1): Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the Group criteria for every contract that must be met.

Step (2): Identify the performance obligations in the contract: A performance obligation is a promise in contract with a customer to transfer goods or render a service to a customer.

Step (3): Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Step (4): Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step (5): Recognize revenue when the Group satisfies a performance obligation.

The Group's revenues are as follows:

#### a) Operating revenue

Operating revenue arises from the day-to-day activities in the group markets and centers which include the sale of coupons in addition to commissions collected from customers. Operating revenue is recognized at the point of sale or when the services are provided. In limited cases, operating revenue is recognized over time as the services are rendered, where the performance obligation is satisfied over time.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Revenue (continued)

##### b) Rental revenue

Lease in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as rental revenue. Rental revenue is recognized on a straight-line basis over the lease terms and is included under revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature, except for contingent rental revenue which is recognized when it arises. Initial direct costs incurred in negotiating and entering into an operating lease is recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the management are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognized in the consolidated statement of profit or loss and other comprehensive income when the right to receive them arises.

##### c) Land sales revenue

Land sales revenue (developed or undeveloped) is recognized at a point in time when the sale is completed and control of the land has been transferred to the buyer, which is generally when the significant risks and rewards of ownership are transferred to the buyer.

##### d) Real estate development revenue

Real estate development revenue is recognized the revenue over time as the services are provided, since the customer simultaneously receives the benefits of the Group's performance. Progress toward satisfying the performance obligation is measured using an appropriate method that best depicts the transfer of the service to the customer.

#### Costs of revenue

Cost of revenue represents costs incurred by the Group that are directly attributable to its revenue generating assets. These include property operating expenses (such as utilities, security, cleaning and maintenance), depreciation of investment properties and related assets, and the cost of land or properties sold.

#### General and administrative expenses

General and administrative expenses represent the overhead costs incurred by the Group to support its business. These expenses are not directly attributable to specific revenue-generating activities.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, they are probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-Zakat rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Segment information

The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers for the purpose of resource allocation among segments and performance assessment.

#### Earnings per share (EPS)

Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the shareholders by the weighted average number of ordinary shares outstanding during the year.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Use of significant assumptions, estimates and judgments

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of certain significant estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions regarding the future that, by definition, will rarely equal the relevant actual results.

Key estimates and assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

#### a) Significant assumptions and estimates

##### Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of non-financial assets considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

##### Allowance for expected credit losses of trade receivables

For accounts receivable, the Group applies a simplified approach in calculating ECLs. Accounts receivable have been grouped in accordance with common credit risk and past due dates. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 10.

##### Impairment in non-financial assets

The Group assess the asset on the reporting date whether there is an indication that the asset has impaired. If any such indication exists, then the Group estimates the asset's recoverable amount. The asset's recoverable amount is the higher of an asset's fair value asset less costs to sell and value in use. In assessing value in use, the estimated future cash flows of the asset are discounted to their present value using a discount price that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statement of profit and loss. If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the adjusted value of the recoverable amount, but only to the extent that the carrying amount is no more than the carrying amount that would have been determined in the absence of impairment loss of the asset's carrying amount in previous years. A reversal impairment loss is recognized immediately in consolidated statement of profit and loss.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Use of significant assumptions, estimates and judgments (continued)

##### a) Significant assumptions and estimates (continued)

###### End of service benefits provision

The cost of the End of service benefits provision is determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complex nature of the valuation and underlying assumptions and their long-term nature, the defined benefit obligation is significantly affected by changes in these assumptions, and all assumptions are reviewed at each reporting date.

###### Useful lives and residual values of property, plant, equipment and investment properties

The useful life of each item of the Group's property, plant, equipment and investment properties is estimated based on the period during which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, experience with similar assets and application of judgment as to when the assets become available for use and the commencement of the depreciation charge.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other restrictions on the use of the asset. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

###### Leases - estimating the incremental borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The incremental borrowing rate is the rate of interest that a Group would have to pay to borrow over a similar period and with similar security, the financing necessary to obtain assets of similar value to the right-of-use asset in the same economic conditions. The incremental borrowing rate thus reflects the amount a Group might have to pay which requires an estimation when no observable rates are available, or when they need to be modified to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

###### Going concern

These consolidated financial statements have been prepared under the going concern basis. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

###### Zakat and tax assessments

The provision for Zakat and withholding tax is determined by the Group in accordance with the requirements of Zakat, Tax, and Customs Authority ("ZATCA") and is subject to change based on the final assessments received from ZATCA. The Group recognizes liabilities related to expected Zakat and withholding tax based on management's best estimates of whether additional Zakat/taxes will be due. The final outcome of any additional amounts assessed by ZATCA depends on the final result of the appeal process, which the Group is entitled to pursue. If the final tax outcome differs from the amounts initially recorded, these differences may impact the consolidated statement of profit or loss and other comprehensive income in the period in which the final determination is made.

###### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, they are probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-Zakat rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### Use of significant assumptions, estimates and judgments (continued)

##### b) Significant judgments

##### Property lease classification – the Group as a lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risk and reward of ownership of these properties and accounts for the contracts as operating lease rentals.

##### Determining the lease term of contracts with renewal and termination options – Group as lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew lease or termination i. e. all relevant factors are taken into consideration creating an economic incentive to exercise renewal option or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

#### New Standards, Amendments and Interpretations

##### New and amended standards and interpretations

Below are the standards and amendments effective on or after 1 January 2025 (unless otherwise stated), with no material effect on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### Amendment to IAS 21: Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The new standard had no impact on the Group's consolidated financial statements.

##### New standards and amendments issued but not yet effective

New and amended standards and interpretations that are issued but not yet effective and have not been early adopted by the Group will be applied on their effective date if applicable. The application of these standards and interpretations is not expected to have any material impact on the Group on the date of their effective date.

<u>Name of Standard and Interpretation</u>	<u>Effectiveness date</u>
- Amendments to IFRS 9 & IFRS 7: Classification and measurement of financial instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS	1 January 2026
- Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements	1 January 2026
- IFRS 18: Presentation and disclosure in financial statements - IFRS 18 replaces IAS 1 Presentation of Financial Statements	1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date was deferred indefinitely

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4 PROPERTY, PLANT AND EQUIPMENT

	<i>Lands on which buildings are constructed</i>	<i>Buildings</i>	<i>Plant and Equipment</i>	<i>Computers</i>	<i>Furniture and Decoration</i>	<i>Motor vehicles</i>	<i>Projects in progress</i>	<i>Total</i>
<i>Cost:</i>								
<b>At 1 January 2024</b>	-	-	19,086,678	-	5,263,348	1,546,216	3,586,371	29,482,613
Reclassification (Note 33)	329,379	1,281,308	(6,628,816)	6,394,377	(87,309)	-	-	1,288,939
<b>At 1 January 2024 after reclassification</b>	329,379	1,281,308	12,457,862	6,394,377	5,176,039	1,546,216	3,586,371	30,771,552
Additions	-	68,495	614,133	554,872	1,973,426	419,760	7,792,325	11,423,011
Transferred to an associate company (note 5)	-	-	(3,183,693)	-	-	-	(300,000)	(3,483,693)
Disposals	-	-	-	-	(1,445,551)	-	-	(1,445,551)
Transferred from projects in progress to property, plant and equipment	-	-	4,576,075	3,007,267	-	-	(7,583,342)	-
<b>At 31 December 2024</b>	329,379	1,349,803	14,464,377	9,956,516	5,703,914	1,965,976	3,495,354	37,265,319
Reclassification	-	-	(15,859)	-	6,998	-	-	(8,861)
<b>At 31 Dec 2024 after reclassification</b>	329,379	1,349,803	14,448,518	9,956,516	5,710,912	1,965,976	3,495,354	37,256,458
Additions	-	1,120	-	335,530	24,500	-	5,856,227	6,217,377
Disposals	-	-	(227,797)	-	(2,149,520)	-	-	(2,377,317)
Reclassification from investment properties under development to property, plant and equipment	-	-	-	-	-	-	973,380	973,380
Transferred from projects in progress to expense	-	-	-	-	-	-	(795,800)	(795,800)
Transferred from projects in progress to property, plant and equipment	-	-	4,370,795	354,212	2,181,713	-	(6,906,720)	-
<b>At 31 December 2025</b>	329,379	1,350,923	18,591,516	10,646,258	5,767,605	1,965,976	2,622,441	41,274,098
<i>Depreciation:</i>								
<b>At 1 January 2024</b>	-	-	10,912,417	-	4,807,760	1,237,440	-	16,957,617
Reclassification (Note 33)	-	551,023	(3,379,739)	3,146,884	(88,893)	-	-	229,275
<b>At 1 January 2024 after reclassification</b>	-	551,023	7,532,678	3,146,884	4,718,867	1,237,440	-	17,186,892
Charge for the year	-	40,600	2,179,551	1,118,721	414,503	177,679	-	3,931,054
Transferred to an associate company (note 5)	-	-	(2,194,320)	-	-	-	-	(2,194,320)
Disposals	-	-	-	-	(1,441,328)	-	-	(1,441,328)
<b>At 31 December 2024</b>	-	591,623	7,517,909	4,265,605	3,692,042	1,415,119	-	17,482,298
Reclassification	-	-	(11,324)	-	2,463	-	-	(8,861)
<b>At 31 Dec 2024 after reclassification</b>	-	591,623	7,506,585	4,265,605	3,694,505	1,415,119	-	17,473,437
Charge for the year	-	43,516	3,507,954	1,868,700	974,476	224,445	-	6,619,091
Disposals	-	-	(217,114)	-	(2,149,399)	-	-	(2,366,513)
<b>At 31 December 2025</b>	-	635,139	10,797,425	6,134,305	2,519,582	1,639,564	-	21,726,015
<i>Net Book Value:</i>								
<b>At 31 December 2025</b>	329,379	715,784	7,794,091	4,511,953	3,248,023	326,412	2,622,441	19,548,083
At 31 December 2024	329,379	758,180	6,946,468	5,690,911	2,011,872	550,857	3,495,354	19,783,021

The depreciation of property, plant and equipment was charged as follows:

	2025	2024
Cost of Revenue	3,929,182	2,824,106
General and administrative expenses	2,689,909	1,106,948
	6,619,091	3,931,054

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5 INVESTMENT PROPERTIES

	<i>Lands</i>	<i>Lands on which buildings are constructed</i>	<i>Land Right-of- use</i>	<i>Buildings</i>	<i>Total</i>
<i>Cost:</i>					
<b>1 January 2024</b>	133,192,478	542,524,814	-	1,262,642,254	1,938,359,546
Reclassification (Note 33)	-	(329,379)	66,986,604	(1,281,308)	65,375,917
<b>At 1 January 2024 after reclassification</b>	133,192,478	542,195,435	66,986,604	1,261,360,946	2,003,735,463
Reclassification from Property, plant and equipment to Investment properties	-	-	-	(68,495)	(68,495)
Transferred from projects in progress to investment properties (note 5)	-	-	-	32,977,150	32,977,150
Transferred to associates (*)	-	(353,067,984)	-	(472,234,811)	(825,302,795)
Transferred to assets held for sale	(20,227,954)	-	-	-	(20,227,954)
<b>31 December 2024</b>	112,964,524	189,127,451	66,986,604	822,034,790	1,191,113,369
Reclassification	-	-	-	(1,120)	(1,120)
<b>At 31 Dec 2024 after reclassification</b>	112,964,524	189,127,451	66,986,604	822,033,670	1,191,112,249
Additions ( Note 14)	1,403,826,025	-	-	12,500,000	1,416,326,025
Transferred from Assets held for sale (Note 13)	20,227,954	-	-	-	20,227,954
Reclassification	(4,689,103)	4,689,103	-	-	-
Land sales	(5,636,479)	-	-	-	(5,636,479)
Transfer from investment properties under development	9,653,194	-	-	935,430.00	10,588,624
<b>31 December 2025</b>	<b>1,536,346,115</b>	<b>193,816,554</b>	<b>66,986,604</b>	<b>835,469,100</b>	<b>2,632,618,373</b>
<i>Depreciation and amortization:</i>					
<b>1 January 2024</b>	-	-	-	447,572,784	447,572,784
Reclassification (Note 33)	-	-	21,873,380	(551,023)	21,322,357
<b>At 1 January 2024 after reclassification</b>	-	-	21,873,380	447,021,761	468,895,141
Charge for the year	-	-	4,490,722	35,990,846	40,481,568
Transferred to associates (*)	-	-	-	(171,474,703)	(171,474,703)
<b>31 December 2024</b>	-	-	26,364,102	311,537,904	337,902,006
Charge for the year	-	-	3,983,420	31,139,401	35,122,821
<b>31 December 2025</b>	-	-	<b>30,347,522</b>	<b>342,677,305</b>	<b>373,024,827</b>
<b>Net book value:</b>					
<b>31 December 2025</b>	<b>1,536,346,115</b>	<b>193,816,554</b>	<b>36,639,082</b>	<b>492,791,795</b>	<b>2,259,593,546</b>
31 December 2024	112,964,524	189,127,451	40,622,502	510,496,886	853,211,363

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**5 INVESTMENT PROPERTIES (Continued)**

As set out in the material accounting policy information, investment properties are presented at cost less accumulated depreciation and impairment, if any. The fair value of the investment properties amounted to SAR 4,136,125,000 as at 31 December 2025 (includes the newly acquired assets (Note 14)) (31 December 2024: SAR 2,522,854,054), based on the valuations performed by a real estate valuer, Esnad and its Partner for Real Estate Appraisal, with license no. 1210000934 (independent valuer accredited by the Saudi Authority for Accredited Valuers).

The fair value measurement in its entirety is classified into level 2 and 3 based on the valuation techniques used in estimating the fair value and related inputs. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

For raw land, the fair value was determined based on the market approach using market evidence of comparable or similar assets. In certain cases, the residual method was used to estimate the land value based on significant market inputs.

For buildings and lands on which buildings are constructed, the fair value was determined based on the income approach or the cost approach, depending on the nature of the asset and the availability of data. Under the income approach, the value is estimated based on market rents for comparable properties, with reference to market averages in estimating operating expenses and the valuer's experience. Under the cost approach, the value is estimated based on appropriate market information relating to assets comparable or similar to the asset being valued.

For right-of-use assets, the fair value was determined as an integral part of the valuation of the related investment property constructed on the right-of-use asset, using appropriate valuation techniques and relevant inputs. The discounted cash flow method was applied as part of this overall valuation approach.

(\*) The Group entered into an agreement with Dira Development Company for Real Estate Development and Investment on 1 December 2024, for the transfer of Ta'meer market properties. Under the terms and conditions of this agreement, a land with a carrying amount at SAR 353,067,984, buildings with a carrying amount at SAR 300,760,108, investment properties under development with a carrying amount at SAR 18,060,363, property, plant and equipment with a carrying value at SAR 989,373, and property, plant and equipment in progress with a carrying amount at SAR 300,000 (Note 4) were transferred to Dira Development Company for Real Estate Development and Investment in exchange for the issuance of shares amounting to SAR 705,209,071. The realized gains from the asset transfer amounted to SAR 17,187,949, and the excluded gains amounted to SAR 14,843,264 (Note 8).

Investment properties include buildings constructed on land leased from the Riyadh Municipality (Otiqa Market) under a 23-year lease starting from 30 March 2011, which will be transferred to the Municipality at the end of the lease. The net book value of the buildings at 31 December 2025 was SAR 142.5 million (31 December 2024: SAR 160 million).

The investment properties include lands totaling an amount of SAR 28,872,546 not yet registered in the name of the Company as it was expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al Awal 1412H. However, the previous owners of the lands have not submitted their claims and have not transferred the land ownership to the Company until 31 December 2025 (Note 17).

All investment properties are located in the Kingdom of Saudi Arabia.

**6 INVESTMENT PROPERTIES UNDER DEVELOPMENT**

	<i>31 December 2025</i>	<i>31 December 2024</i>
Balance at the beginning of the year	<b>1,501,380</b>	19,888,240
Additions	<b>24,158,737</b>	83,362,838
Reclassification to Property, plant and equipment - Projects in progress (Note 4)	<b>(973,380)</b>	-
Transferred to an associate - Abraj Al-Tilal Real Estate Development Company (*)	-	(50,712,185)
Transferred to an associate – Dira Development Company for Real Estate Development and Investment (Note 5)	-	(18,060,363)
Transferred to investment properties (Note 5)	<b>(10,588,624)</b>	(32,977,150)
<b>Balance at the end of the year</b>	<b><u>14,098,113</u></b>	<b><u>1,501,380</u></b>

(\*) The Company concluded an agreement with Riyadh Holding Company and the Saudi Real Estate Company during 2024 to build educational complexes (Misk Schools Project), pursuant to which investment properties under development were transferred at a value of SAR 50,712,185.

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**7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

In December 2024, the Group entered into a lease agreement for its Head Quarter with Dira Development Company for Real Estate Development and Investment. The lease term is 10 years, starting from 1 December 2024, with a total value of SAR 13,060,605.

The carrying amounts and movements of right-of-use assets during the year (other than those included in investment properties) are as follows:

	<i>31 December</i> <u>2025</u>	<i>31 December</i> <u>2024</u>
Balance at the beginning of the year	9,700,753	45,113,224
Reclassification (Note 33)	-	(45,113,224)
Opening after reclassification	9,700,753	-
Adjustment	(122,951)	-
Additions (Note 11 -1)	-	9,783,538
Depreciation for the year	(965,829)	(82,785)
<b>Balance at the end of the year</b>	<b>8,611,973</b>	<b>9,700,753</b>

The carrying amounts and movement of lease liabilities during the year are as follows:

	<i>31 December</i> <u>2025</u>	<i>31 December</i> <u>2024</u>
Balance at the beginning of the year	54,184,707	48,086,536
Additions (Note 11-1)	-	9,783,538
Adjustment	483,740	-
Paid during the year	(8,022,410)	(6,200,000)
Finance costs - lease liabilities	3,032,549	2,514,633
<b>Balance at the end of the year</b>	<b>49,678,586</b>	<b>54,184,707</b>

Lease liabilities as at 31 December are classified as follows:

	<i>31 December</i> <u>2025</u>	<i>31 December</i> <u>2024</u>
Non-current lease liabilities	42,114,635	46,390,001
Current lease liabilities	7,563,951	7,794,706
<b>Total lease liabilities</b>	<b>49,678,586</b>	<b>54,184,707</b>

The following are the amounts recognized in the consolidated statement of profit or loss and other comprehensive income:

	<i>31 December</i> <u>2025</u>	<i>31 December</i> <u>2024</u>
Finance costs - lease liabilities	3,032,549	2,514,633
Depreciation of right-of-use assets (other than those included in investment properties)	965,829	82,785
	<b>3,998,378</b>	<b>2,597,418</b>

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**8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE**

The summarized details of investments in an associate and a joint venture companies are as follows:

<i>Company's name</i>	<i>Nature of Relationship</i>	<i>% of Ownership</i>		<i>Balance</i>	
		<i>31 December 2025</i>	<i>31 December 2024</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
Dira Development Company for Real Estate Development and Investment (a)	Associate company	<b>46.34%</b>	46.34%	<b>705,367,129</b>	692,634,122
Abraj Al-Tilal Real Estate Development Company (b)	Associate company	<b>50%</b>	50%	<b>121,508,686</b>	50,734,712
Abraj Al-Ghadir Real Estate Development company (c)	Joint venture	<b>50%</b>	-	-	-
Tanal Investment and Real Estate Development Company (d)	Associate company	-	69.38%	-	13,031,031
<b>Balance at the end of the year</b>				<b><u>826,875,815</u></b>	<b><u>756,399,865</u></b>

a) Dira Development Company for Real Estate Development and Investment:

In 2024, the Company reached an agreement with Riyadh Holding Company to establish a joint venture (Dira Development Company for Real Estate Development and Investment) ("Dira") – a simplified/closed joint-stock company with a cash capital of SAR 1,000,000, with 46.34% ownership for Arriyadh Development Company and 53.66% ownership for Riyadh Holding Company. Additionally, in-kind contributions were made by Arriyadh Development Company in Ta'meer market properties, with total value at SAR 705,209,071, while Riyadh Holding Company contributed in Al-Muqayliyah Market and Dira Markets, with total value at SAR 816,605,929 in exchange of new shares issuance through a capital increase for each partner in accordance with their respective share in Dira Development Company for Real Estate Development and Investment. This was done in accordance with the asset transfer agreement signed on 1 December 2024.

b) Abraj Al-Tilal Real Estate Development Company:

In 2024, the Group reached an agreement with Riyadh Holding Company and the Saudi Real Estate Company to incorporate Abraj Al-Tilal Real Estate Development Company ("Abraj Al-Tilal") (A Limited Liability Company) with a capital of SAR 100,000, where Arriyadh Development Company's shareholding was by 50%, Riyadh Holding Company's shareholding by 25%, and the Saudi Real Estate Company's shareholding by 25%. This shareholding structure is in line with their respective shares in the shared property, which includes Educational Plot No. 751 of Scheme No. 3175 (with an area of 10,875.24 m<sup>2</sup>) and Educational Plot No. 752 of Scheme No. 3175 (with an area of 10,296.33 m<sup>2</sup>) located in Al-Malqa district in Riyadh. The construction of the educational complexes (a boys' complex and a girls' complex) has begun, and a lease agreement has been signed for these complexes with the Mohammed bin Salman Foundation (Misk Foundation) for a period of 25 years, starting from the academic year 2025/2026, as per the agreement signed with Misk Foundation by Arriyadh Development Company.

During 2025, the partners of Abraj Al-Tilal Real Estate Development Company decided to consider all amounts injected by the partners to finance schools and educational complexes as additional contribution, each according to their share of the capital. The share of Arriyadh Development Company in the additional capital as at 31 December 2025, is SAR 121.5 million (31 December 2024: SAR 51.8 million).

c) Abraj Al-Ghadir Real Estate Development Company

During 2024, the Group agreed with FTG Development Limited Company to establish Abraj Al-Ghadir Real Estate Development Company (a limited liability company) with a capital of SAR 50,000, 50% owned by Arriyadh Development Company and 50% owned by FTG Development Limited Company. The purpose is to cooperate and work together to develop, implement, and manage joint ventures between the parties.

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**8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)**

The summarized details of investments in an associate and a joint venture companies are as follows: (Continued)

d) Tanal Investment and Real Estate Development Company:

During 2019, the Group, agreed with Sumou Holding Company, to incorporate Tanal Real Estate Investment and Development Company (“Tanal”) (a Limited Liability Company) with a capital of SAR 100,000 with shareholding 69.38% for Arriyadh Development Company and 30.62% for Sumou Holding Company - which is the same proportions of ownership of companies in the First Riyadh Al-Tameer Real Estate Fund - for the purpose of transferring the assets and liabilities of the First Riyadh Al-Tameer Real Estate Fund, which was closed and its assets were transferred in 2019 to Tanal and its subsidiary (Ruba Real Estate Building Company), which is 100% owned.

During 2025, the Group’s Board of Directors decided to exit Tanal as a result of the sale of all the plots of the master plan by the end of the year 2024. An assignment agreement was signed to transfer the group’s share to Sumou Holding Company on 30 Shawwal 1446H (corresponding to 28 April 2025). According to the agreement, the Group obtained its share in the capital of Tanal amounting to SAR 69,380, in addition to its share in the statutory reserve amounting to SAR 20,814, according to the financial statements of Tanal for the year ended 31 December 2024.

The movement of Investment in an associate and a joint venture and a joint venture is as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
At the beginning of the year	<b>756,399,865</b>	237,264,477
Share of profits	<b>51,515,398</b>	125,859,069
Investments made during the year	<b>49,303,449</b>	741,563,919
Carrying value of disposed investment in Tanal	<b>(89,778)</b>	-
Elimination of unrealized gains	<b>(3,409,866)</b>	-
Dividend received	<b>(26,843,253)</b>	(348,287,600)
<b>At the end of the year</b>	<b>826,875,815</b>	<b>756,399,865</b>

The following is the Statement of Financial Position of the associates and joint venture:

**As at 31 December 2025**

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Total</i>
Current assets	75,127,765	33,477,355	205,300	-	<b>108,810,420</b>
Non-current assets	1,529,549,585	226,242,345	5,930,149	-	<b>1,761,722,079</b>
Current liabilities	(41,098,432)	(9,882,597)	(6,372,257)	-	<b>(57,353,286)</b>
Non-current liabilities	(9,391,621)	-	-	-	<b>(9,391,621)</b>
<b>Equity</b>	<b>1,554,187,297</b>	<b>249,837,103</b>	<b>(236,808)</b>	<b>-</b>	<b>1,803,787,592</b>
Group’s share in equity %	46.34%	50%	50%	-	-
Group’s share in equity	720,210,393	124,918,552	-	-	<b>845,128,945</b>
Elimination of unrealized gains	(14,843,264)	(3,409,866)	-	-	<b>(18,253,130)</b>
<b>The carrying amount of the Investment</b>	<b>705,367,129</b>	<b>121,508,686</b>	<b>-</b>	<b>-</b>	<b>826,875,815</b>

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8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)

The following is the Statement of Financial Position of the associates and joint venture: (Continued)

As at 31 December 2024

	<i>Dira Development</i>				
	<i>Company for</i>	<i>Abraj Al-Tilal</i>	<i>Abraj Al-Ghadir</i>	<i>Tanal Investment</i>	
	<i>Real Estate</i>	<i>Real Estate</i>	<i>Real Estate</i>	<i>and Real Estate</i>	
	<i>Development and</i>	<i>Development</i>	<i>Development</i>	<i>Development</i>	
	<i>Investment</i>	<i>Company</i>	<i>Company</i>	<i>Company</i>	<i>Total</i>
Current assets	49,211,612	44,941,229	-	20,868,597	115,021,438
Non-current assets	1,520,219,233	107,039,425	-	-	1,627,258,658
Current liabilities	(33,720,679)	(50,511,229)	-	(2,086,483)	(86,318,391)
Non-current liabilities	(9,000,226)	-	-	-	(9,000,226)
Equity	1,526,709,940	101,469,425	-	18,782,114	1,646,961,479
Group's share in equity %	46.34%	50%	-	69.38%	-
Group's share in equity	707,477,386	50,734,712	-	13,031,031	771,243,129
Elimination of unrealized gains	(14,843,264)	-	-	-	(14,843,264)
The carrying amount of the Investment	692,634,122	50,734,712	-	13,031,031	756,399,865

The following is the statement of profit or loss and other comprehensive income of the associates:

As at 31 December 2025

	<i>Dira Development</i>				
	<i>Company for</i>	<i>Abraj Al-Tilal</i>	<i>Abraj Al-Ghadir</i>	<i>Tanal Investment</i>	
	<i>Real Estate</i>	<i>Real Estate</i>	<i>Real Estate</i>	<i>and Real Estate</i>	
	<i>Development and</i>	<i>Development</i>	<i>Development</i>	<i>Development</i>	
	<i>Investment</i>	<i>Company</i>	<i>Company</i>	<i>Company</i>	<i>Total</i>
Revenue	138,044,701	50,500,585	-	-	188,545,286
Net profit	57,477,357	49,810,781	(286,808)	-	107,001,330
Group's % share in net profit	46.34%	50%	50%	-	-
Group's share in net profit before elimination	26,635,007	24,905,391	(143,404)	-	51,396,994
Elimination of unrealized gains	-	(3,409,866)	-	-	(3,409,866)
Group's share in net profit	26,635,007	21,495,525	(143,404)	-	47,987,128

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8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)

As at 31 December 2024

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Total</i>
Revenue	10,952,205	-	-	414,580,280	425,532,485
Net profit	3,894,940	-	-	178,803,912	182,698,852
Group's % share in net profit	46.34%	50%	-	69.38%	-
Group's share in net profit	<u>1,804,915</u>	<u>-</u>	<u>-</u>	<u>124,054,154</u>	<u>125,859,069</u>

9 INVESTMENT DESIGNATED AT FVTPL

The Group decided to participate in the "Riyadh Real Estate Development ANB Capital Fund" (the "Fund"), which is a private closed real estate investment Fund compliant with Islamic Sharia principles. The Fund was incorporated in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulation and applicable laws, and its management is entrusted to ANB Capital. The objectives of the Fund are to invest in three raw plots of lands located in Al-Rimal and Al-Qadisiyah districts in Riyadh. This will be done through the development of infrastructure for these lands, subdividing them into residential and commercial plots, and then selling them as developed land. The Fund's term is four years, with extension possibility for two additional periods, each lasting one calendar year.

The Group entered into an agreement on 10 October 2024 to manage the development of the Fund's infrastructure. This agreement was terminated on 9 February 2026, and the Group continues to own its share in the Fund.

During December 2024, the Group paid its share in the Fund, amounting to 8.7%, through a cash contribution of SAR 182,481,748. On 9 January 2025, the Fund's operations commenced after the specified offering amount both (in-kind and cash) was completed.

During 2025, the Group classified this investment as a financial instrument at FVTPL upon initial recognition, in accordance with IFRS (9), as management believed that this classification better reflects the investment strategy and leads to the provision of more relevant information to users.

The movement in investments at fair value through profit or loss is as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
At the beginning of the year	-	-
Transferred from advance payments for subscription to a real estate Fund	<b>182,481,748</b>	-
Unrealized gains from investment revaluation	<b>1,998,167</b>	-
At the end of the year	<u><b>184,479,915</b></u>	<u>-</u>

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**10 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLE**

	<i>31 December 2025</i>	<i>31 December 2024</i>
Accounts receivable	<b>67,344,014</b>	88,114,015
Less: Provision for expected credit loss*	<b>(47,390,710)</b>	(52,197,860)
<b>Net accounts receivable</b>	<b>19,953,304</b>	35,916,155
Accrued revenue on Murabaha investment deposits	<b>38,386,099</b>	2,149,250
Prepaid expenses	<b>1,147,874</b>	2,605,214
Employees' advances	<b>927,691</b>	1,519,631
Advances to suppliers and contractors	<b>682,480</b>	802,594
Others	<b>335,193</b>	3,767,273
	<b>61,432,641</b>	46,760,117

\* The movement of the provision for expected credit loss during the year was as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Balance at the beginning of the year	<b>52,197,860</b>	48,376,304
(Reversed) Provided for expected credit loss provision (note 22)	<b>(2,841,694)</b>	7,908,539
Debt write off during the year	<b>(1,965,456)</b>	(4,086,983)
<b>Balance at the end of the year</b>	<b>47,390,710</b>	52,197,860

The following is an analysis of the aging of receivables and the provision for expected credit losses as at 31 December:

	<i>Total</i>	<i>1- 90 Days</i>	<i>91- 180 Days</i>	<i>181- 270 Days</i>	<i>271- 365 Days</i>	<i>More than one year</i>
<b>Accounts Receivable:</b>						
<b>2025</b>	<b>67,344,014</b>	<b>17,552,510</b>	<b>3,559,589</b>	<b>1,037,039</b>	<b>1,385,912</b>	<b>43,808,964</b>
2024	88,114,015	22,718,689	10,540,524	4,749,801	5,089,061	45,015,940
<b>Provision for expected credit losses</b>						
<b>2025</b>	<b>47,390,710</b>	<b>727,990</b>	<b>1,046,427</b>	<b>540,801</b>	<b>1,266,528</b>	<b>43,808,964</b>
2024	52,197,860	1,196,431	1,679,945	1,106,903	3,198,641	45,015,940

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**11 RELATED PARTIES TRANSACTIONS AND BALANCES**

Related party transactions and balances include transactions with associates, joint venture, members of the Board of Directors (and its sub-committees), and the Group's senior management personnel. Senior management employees are those who have authority and responsibility in planning, directing, and controlling the activities of the Group, either directly or indirectly, including the directors in accordance with the terms and conditions approved by the Board.

**11.1 RELATED PARTY TRANSACTIONS:**

During the normal course of its business, the Company had the following significant transactions with major related parties during the year ended 31 December 2025 and 2024, as follows:

<i>Description</i>	<i>Nature of Relationship</i>	<i>Nature of transaction</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
Tanal Investment and Real Estate Development Company	Associate company	Dividends	12,941,253	348,287,600
Tanal Investment and Real Estate Development Company	Associate company	Carrying value of disposed investment in Tanal	89,778	-
Dira Development Company for Real Estate Development and Investment	Associate company	Settlement of balances collected from associate customers	13,132,619	-
Dira Development Company for Real Estate Development and Investment	Associate company	Dividends	13,902,000	-
Dira Development Company for Real Estate Development and Investment	Associate company	Collection on behalf	4,876,453	-
Dira Development Company for Real Estate Development and Investment	Associate company	Expenses paid on behalf	67,554	-
Dira Development Company for Real Estate Development and Investment	Associate company	Lease payment and finance cost related to Right of use assets	(1,822,410)	-
Dira Development Company for Real Estate Development and Investment	Associate company	the carrying value of the right of use lease in the associate	-	9,783,538
Dira Development Company for Real Estate Development and Investment	Associate company	Capital deposit	-	463,400
Dira Development Company for Real Estate Development and Investment	Associate company	Contribution with Ta'meer Market	-	673,177,858
Abraj Al-Tilal Real Estate Development Company	Associate company	Additional capital contribution	49,278,449	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Settlement of amounts due to the associate company	50,398,610	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Finance provided to associate	4,799,245	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Expenses paid on behalf	8,310,288	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Transfer of Investment properties under development	-	50,684,712
Abraj Al-Tilal Real Estate Development Company	Associate company	Capital deposit	-	50,000
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Finance provided to joint venture	1,800,000	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Expenses paid on behalf	1,270,522	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Capital deposit	25,000	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Recognizing the share of loss in the joint venture	(118,404)	-
Board of directors (Note 22)	Board of directors' members	Allowances and compensation	3,181,000	3,178,000
Senior management personnel	Key Management Personnel	Short-term benefits	22,976,934	19,719,546
Senior management personnel	Key Management Personnel	End of service benefit	684,274	623,848

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**11 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

**11.2 RELATED PARTIES' BALANCES**

Due from related parties:

	<i>Nature of Relationship</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
Abraj Al-Tilal Real Estate Development Company	Associate company	<b>4,799,245</b>	46,299,775
Abraj Al-Ghadir Real Estate Development Company	Joint venture	<b>2,952,118</b>	-
		<b>7,751,363</b>	46,299,775

Due to related parties:

	<i>Nature of Relationship</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
Dira Development Company for Real Estate Development and Investment	Associate company	-	8,323,719
Abraj Al-Tilal Real Estate Development Company	Associate company	-	4,211,454
		-	<b>12,535,173</b>

**12 MURABAHA INVESTMENT DEPOSITS**

As of 31 December 2025, total Murabaha investment deposits amounted to SAR 1.025 billion (31 December 2024: SAR 930 million) with maturities ranging from three months to one year, which were placed with a number of local financial institutions. The Murabaha agreements' rates ranged from 5% to 6.1% during the year.

Investment Murabaha deposits as of 31 December are classified as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Murabaha investment deposits- Short-term	<b>1,025,000,000</b>	300,000,000
Murabaha investment deposits - Long-term	-	630,000,000
	<b>1,025,000,000</b>	930,000,000

**13 ASSETS HELD FOR SALE**

The following is the assets held as of 31 December:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Telal Arriyadh lands (a)	<b>2,002,840</b>	2,247,695
Technical services land (b)	-	20,227,954
	<b>2,002,840</b>	22,475,649

- a) On 26 October 2023, the Board of Directors of the Group issued a resolution in which a decision was taken to sell its share in Telal Arriyadh plots land with total area of 4,861 m<sup>2</sup>, and during 2025, the group signed a contract to sell "Telal Arriyadh lands", where payment terms were agreed upon. On 6 January 2026, the group received the first payment representing 10% of the value of the land. The group is scheduled to receive the remaining 90% of the value of the land in the coming period.

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**13 ASSETS HELD FOR SALE (continued)**

b) During 2025, the Group reassessed the classification of certain plots of land that were previously classified as assets held for sale. Although the Board of Directors had previously approved the in-kind contribution of these lands to a company in partnership with Afaq Modern Holding Company, however, the Board subsequently issued a resolution to contribute these lands to Al Rimal Logistics Park Company (a wholly owned subsidiary of the Group), in line with the Group's strategic direction. Accordingly, these lands were transferred to Al Rimal Logistics Park Company (Note 1). At the consolidated financial statements level, the transfer of assets to a wholly owned subsidiary does not constitute a disposal or sale and does not result in the assets leaving the scope of the Group. As a result, these lands no longer met the criteria to be classified as assets held for sale and were therefore reclassified from assets held for sale to investment properties.

**14 SHARE CAPITAL AND ADDITIONAL SHARE CAPITAL**

As at 31 December 2024, the authorized, issued and fully paid share capital amounted to SAR 1,777,777,770, divided into 177,777,777 shares, each valued at SAR 10. On 3 February 2025, the Group's Extraordinary General Assembly approved increasing the Company's capital to SAR 2,339,308,180 through the issuance of 56,153,041 new ordinary shares, with a total nominal value of SAR 561,530,410, and additional capital amounting to SAR 842,295,615. This was in exchange for the acquisition of two real estate assets owned by Remat Al-Riyadh Development Company for a total value of SAR 1,403,826,025, bringing the total number of new shares to (233,930,818 shares), with a nominal value of SAR 10 each. During February 2025, ownership of the purchased properties was transferred to the Company, and shares were issued to Remat Al-Riyadh Development Company.

**15 STATUTORY RESERVE**

On 3 February 2025, the Company's General Assembly approved an amendment to the Company's by-laws to align with the new Companies' Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022), which no longer requires the formation of a statutory reserve. The Board of Directors also recommended on 25 February 2025, transferring the balance of the statutory reserve amounting to SAR 184,701,083 as shown in the consolidated financial statements for the year ended 31 December 2024 to retained earnings. On 8 May 2025, the General Assembly approved transferring the balance of the statutory reserve as at 31 December 2024 to retained earnings.

**16 END OF SERVICE BENEFITS PROVISION**

The Group grants end-of-service benefits to its employees after taking into account the applicable labor law in the Kingdom of Saudi Arabia. These benefits are an unfunded defined benefit plan.

The benefits provided by these pension plans are based primarily on years of service and employee compensation. The plan funding is in line with local requirements. The obligations are subject to demographic, legal and economic risks. Economic risks are primarily attributable to unexpected developments in the commodities, capital markets and changes in the discount rate used to calculate employees' defined benefit obligations.

**Key actuarial assumptions:**

	<i>31 December 2025</i>	<i>31 December 2024</i>
<b>Financial assumptions:</b>		
Discount rate	<b>4.8%</b>	4.8%
Salary growth rate	<b>3%</b>	3%
<b>Demographic assumptions:</b>		
Normal retirement age	60 Years	60 Years
Mortality rate	WHO-SA Age table	WHO-SA Age table

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**16 END OF SERVICE BENEFITS PROVISION (Continued)**

Below is a quantitative sensitivity analysis of significant assumptions regarding employee end-of-service benefit obligations:

<i>Assumptions</i>	<i>Salary growth rate:</i>		<i>Discount rate</i>	
	<i>1% increase</i>	<i>1% decrease</i>	<i>1% increase</i>	<i>1% decrease</i>
<b>31 December 2025</b>	<b>17,434,550</b>	<b>(16,000,008)</b>	<b>(16,013,848)</b>	<b>17,433,829</b>
31 December 2024	14,389,922	(13,423,944)	(13,436,280)	14,386,066

The following is movement in the present value of end of service benefits provision:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Balance at the beginning of the year	<b>13,754,456</b>	12,404,275
Finance cost	<b>641,444</b>	599,866
Current service cost	<b>2,984,072</b>	2,879,909
End of service benefit expense recognized in profit or loss	<b>3,625,516</b>	3,479,775
Actuarial changes arising from experience adjustments	<b>(771,700)</b>	-
Actuarial changes arising from changes in financial assumptions	<b>487,483</b>	(149,291)
Amount of actuarial loss / (gain) included in other comprehensive income	<b>(284,217)</b>	(149,291)
Paid	<b>(491,031)</b>	(1,980,303)
<b>Balance at the end of the year</b>	<b>16,604,724</b>	<b>13,754,456</b>

Weighted Average Duration of Liabilities 7 Years (31 Dec 2024: 7 years).

**17 ACCOUNT PAYABLE, ACCRUED EXPENSES AND OTHER PAYABLES**

	<i>31 December 2025</i>	<i>31 December 2024</i>
Advance revenue (Note 20)	<b>37,408,982</b>	42,020,112
Payable from expropriated real estate (a)	<b>28,872,546</b>	28,872,546
Employees' accrued wages and other benefits	<b>23,019,920</b>	25,139,357
Insurance for others	<b>18,166,518</b>	15,569,046
Provisions (b)	<b>14,142,172</b>	14,142,172
Accrued expenses	<b>10,395,881</b>	17,337,165
Board of Directors members allowances and compensation	<b>3,453,000</b>	3,366,000
Securing reservation of rental units	<b>3,378,587</b>	2,073,827
Accruals for Car Auction	<b>2,181,601</b>	9,941,741
Litigation provision	-	9,912,134
Others	<b>3,052,039</b>	3,814,901
	<b>144,071,246</b>	<b>172,189,001</b>

- a) The amount represents the payable amounts to the previous owners of the properties that were expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al-Awal 1412 H who have not yet claimed their dues until 31 December 2025.
- b) The amount of the provisions represents commitments for construction works for the implementation of a canal for draining flood and rain in Al-Shorouk lands in Al-Remal district, according to the request of the regulatory authorities in the region.

**18 ACCRUED DIVIDENDS PAYABLE**

The balance represents dividends approved by the Company's ordinary general assembly in prior years, that remained unclaimed by shareholders as at 31 December 2025 amounting to SAR 77,755,572 (31 December 2024: SAR 76,387,682).

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**19 ZAKAT PROVISION**

**Assessment status**

The group has submitted Zakat declarations and received the final Zakat assessment until 2024.

**Movement in Zakat provision**

	<i>31 December 2025</i>	<i>31 December 2024</i>
Balance at the beginning of the year	36,633,631	26,880,429
Addition	24,534,395	29,122,212
Additional provision for the years (2018-2023)	-	1,081,222
Balance with ZATCA from the liquidation procedures of the Saudi Heritage Hospitality Company (“Nuzul”)	-	(58,056)
Paid	<b>(35,443,951)</b>	<b>(20,392,176)</b>
<b>Balance at the end of the year</b>	<b>25,724,075</b>	<b>36,633,631</b>

**Zakat base**

Zakat provision is calculated based on the following:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Shareholders’ equity	3,831,232,685	2,249,780,437
Closing / opening provisions	125,146,282	115,207,299
Other additions	58,719,359	106,076,714
The book value of the adjusted long-term assets	(42,258,169)	(884,196,517)
Investments	(3,270,949,276)	(756,399,864)
Adjusted net profit for the year	296,062,285	296,227,338
<b>Zakat base</b>	<b>997,953,166</b>	<b>1,126,695,407</b>
<b>Zakat for the year</b>	<b>25,724,075</b>	<b>29,122,212</b>

**20 REVENUE**

	<i>2025</i>	<i>2024</i>
Rental revenue	168,230,828	203,784,592
Operating revenue	114,547,716	112,062,876
Sale of lands revenue	96,548,715	-
Real estate development revenue	4,830,000	5,670,000
	<b>384,157,259</b>	<b>321,517,468</b>

Timing of revenue recognition:

	<i>2025</i>	<i>2024</i>
Recognized over time	197,342,773	232,774,811
Recognized at point in time	186,814,486	88,742,657
	<b>384,157,259</b>	<b>321,517,468</b>

All of the Group’s revenues were generated within the Kingdom of Saudi Arabia.

The total accounts receivable related to rental revenue with customers amounted to SAR 67,344,014 as at 31 December 2025 (2024: SAR 88,114,015). The Group expects to collect this balance within the next 12 months. (Note 10)

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**20 REVENUE (Continued)**

The total advance revenue related to rental contracts with customers, for which the performance obligations have not been satisfied (in whole or in part), amounted to SAR 37,408,982 as at 31 December 2025 (2024: SAR 42,020,112). The Group expects to recognize this balance as revenue within the next 12 months. During 2025, the Group recognized the full advance revenue balance from the prior year. (Note 17)

**21 COSTS OF REVENUE**

	<u>2025</u>	<u>2024</u>
Depreciation expenses	39,536,786	43,346,273
Employees' salaries, wages and other benefits	34,270,916	26,642,870
Maintenance expenses	12,491,739	14,017,759
Cleaning expenses	10,928,765	12,064,877
Security and safety expenses	8,155,022	9,743,437
Land selling costs	5,881,335	-
Utilities expenses	4,469,756	4,878,600
Marketing expenses	1,021,447	3,645,868
Franchise expenses	500,000	2,497,172
Other expenses	1,268,485	4,726,688
	<u>118,524,251</u>	<u>121,563,544</u>

**22 GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2025</u>	<u>2024</u>
Employees' salaries, wages and other benefits	47,941,675	46,806,096
Professional and consultation fees	14,214,149	21,933,943
Depreciation expenses	3,628,635	1,149,134
Maintenance and operation	3,263,341	2,236,789
Board of Directors members allowances and compensation (Note 11)	3,181,000	3,178,000
Litigation expense provision	454,000	14,679,353
(Reversal) / provided for expected credit losses (Note 10)	(2,841,694)	7,908,539
Others	4,970,296	1,849,485
	<u>74,811,402</u>	<u>99,741,339</u>

**23 OTHER INCOME**

	<u>2025</u>	<u>2024</u>
Gain on buildings received upon lease termination	12,500,000	-
Settlement of a provision previously provided in previous years	9,095,860	26,771,963
Non-refundable customer deposit from land sale	3,577,989	-
Others	742,721	1,423,199
	<u>25,916,570</u>	<u>28,195,162</u>

**24 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include:

	<u>2025</u>	<u>2024</u>
Cash at banks	31,491,631	40,915,578
	<u>31,491,631</u>	<u>40,915,578</u>

Credit risk on cash at banks is limited, as the cash is held with banks with good credit ratings.

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**25 SEGMENT INFORMATION**

The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers for the purpose of resource allocation among segments and performance assessment. The assets, liabilities and operating activities of the segments include items that are directly related to a specific segment and items that can be allocated to the different segments on a reasonable basis. Items that cannot be allocated between the segments are classified under common assets and liabilities; The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the consolidated Financial Statements.

The following summary of segmental financial information according to the nature of the activity:

	<i>Commercial centers segment</i>	<i>Public benefit segment</i>	<i>Lands sales, contributions and property development fees segment</i>	<i>Common assets and liabilities segment</i>	<i>Total</i>
<b>31 December 2025:</b>					
Total assets	668,531,321	100,597,401	1,506,464,966	2,165,292,232	4,440,885,920
Total liabilities	87,842,825	25,507,029	14,142,172	186,342,177	313,834,203
<b>31 December 2024:</b>					
Total assets	682,121,169	113,727,438	112,964,523	2,000,716,119	2,909,529,249
Total liabilities	102,908,888	28,422,438	14,142,172	220,211,152	365,684,650
<b>31 December 2025:</b>					
Revenue	123,462,798	159,315,746	101,378,715	-	384,157,259
Costs of revenue	(80,633,975)	(27,251,363)	(10,638,913)	-	(118,524,251)
General and administrative expenses	-	-	-	(74,811,402)	(74,811,402)
Finance costs – Lease liabilities	(2,400,792)	-	-	(631,757)	(3,032,549)
Murabaha Investment deposits' income	-	-	-	56,905,758	56,905,758
Group's share of profit of Investment in an associate and a joint venture	-	-	-	47,987,128	47,987,128
Unrealized gains from investments designated at FVTPL	-	-	-	1,998,167	1,998,167
Other income	-	-	-	25,916,570	25,916,570
Net profit for the year before Zakat	40,428,031	132,064,383	90,739,802	57,364,464	320,596,680
Zakat	-	-	-	(24,534,395)	(24,534,395)
<b>Net profit for the year</b>	<b>40,428,031</b>	<b>132,064,383</b>	<b>90,739,802</b>	<b>32,830,069</b>	<b>296,062,285</b>
<b>31 December 2024:</b>					
Revenue	164,069,882	151,777,586	5,670,000	-	321,517,468
Costs of revenue	(93,075,148)	(28,488,396)	-	-	(121,563,544)
General and administrative expenses	-	-	-	(99,741,339)	(99,741,339)
Finance costs – Lease liabilities	(2,511,481)	-	-	(3,152)	(2,514,633)
Murabaha Investment deposits' income	-	-	-	57,459,747	57,459,747
Group's share of profit of Investment in an associate and a joint venture	-	-	-	125,859,069	125,859,069
Gain from sale of Investment properties	-	-	-	17,187,949	17,187,949
Other income	-	-	-	28,195,162	28,195,162
Net profit for the year before Zakat	68,483,253	123,289,190	5,670,000	128,957,436	326,399,879
Zakat	-	-	-	(30,203,434)	(30,203,434)
<b>Net profit for the year</b>	<b>68,483,253</b>	<b>123,289,190</b>	<b>5,670,000</b>	<b>98,754,002</b>	<b>296,196,445</b>

The commercial centers segment represents the public transportation center, Ta'meer International Car Auction, Otiqa market, Riyadh market, the office tower, and the leased land of Al-Aziziyah. The public benefit segment represents the wholesale vegetables and fruits market. The Lands sales, contributions and property development segment represent the sale of developed plots and the real estate development fees. The common assets and liabilities segments represent all items that do not fall under any of the specific segments.

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**26 FAIR VALUE MEASUREMENT**

The fair value of Investments designated at FVTPL is obtained through net asset value reports received from fund managers, who use various techniques to evaluate the underlying financial instruments classified under Level 3 of the fair value hierarchy of the funds. The group has investments in the "Riyadh Real Estate Development ANB Capital Fund" with a book value of 184,479,915 Saudi Riyals. Significant unobservable inputs are an integral part of the models used by the fund manager. The valuation approach used is the income approach, and the key unobservable inputs include an inflation rate of 2.7% and a discount rate of 13%.

Below is a reconciliation of the balances of Investments designated at FVTPL that fall within Level 3 of the fair value hierarchy as of:

	<i>31 December 2025</i>	<i>31 December 2024</i>
At the beginning of the year	-	-
Transferred from advance payments for subscription to a real estate Fund	<b>182,481,748</b>	-
Unrealized gains from Investments designated at FVTPL	<b>1,998,167</b>	-
At the end of the year	<b>184,479,915</b>	-

**27 RISK MANAGEMENT POLICIES AND OBJECTIVES**

The Group's principal financial liabilities consist of lease liabilities, trade payables, accruals, amounts due to related parties, accrued dividends payable and other liabilities. The Group's principal financial assets include trade and other receivables, cash and cash equivalents, amounts due from related parties, Investments designated at FVTPL and Murabaha investment deposits arising directly from its operations.

The Group may be exposed to the following risks arising from financial instruments:

- Market risk
- Commission rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

The Group's overall risk management program focuses on liquidity management in addition to monitoring various market related changes, thus constantly seeks to reduce potential negative impacts on the Group's financial performance. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

***Market risk***

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates, profit rates and stock prices on the Group's revenue or the value of its financial instruments. Market risk management aims at managing and controlling risk exposure within acceptable limits while achieving best returns.

***Commission rate risk***

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. The Management believes that the financial instruments on the consolidated statement of financial position are not subject to commission rate risk.

***Foreign currency risk***

The Group is not exposed to significant foreign exchange risk and therefore there is no need for effective management of this risk.

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27 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks, financial institutions, and other financial instruments.

To reduce exposure to credit risk, the Group has approval procedures through which credit limits are applied to its customers. The management also constantly monitors exposure to credit risks related to customers and sets aside a provision for expected credit losses, based on the customer's status and payment history. Outstanding customer receivables are also monitored on a regular basis.

Credit risk also arises from cash at banks and Murabaha investment deposits. For banks and Murabaha investment deposits, only those with sound credit ratings are accepted.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Murabaha investment deposits *	<b>1,025,000,000</b>	930,000,000
Cash at banks	<b>31,491,631</b>	40,915,578
Accounts receivables, net	<b>19,953,304</b>	35,916,155
Due from related parties	<b>7,751,363</b>	46,299,775
	<b><u>1,084,196,298</u></b>	<b><u>1,053,131,508</u></b>

\*As at 31 December 2025, the Group has Murabaha investment deposits amounting to SAR 1.025 billion (31 December 2024: SAR 930 million) with several local financial institutions, representing approximately 23% of the Group's assets as at 31 December 2025 (31 December 2024: 32%).

Cash at banks, Murabaha investment deposits, and accounts receivable are accounted for at amortized cost.

**Liquidity risk**

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 realize financial assets quickly at an amount close to its fair value.

Liquidity risk is managed through monitoring such risks on a regular basis to assure sufficient funds are available to meet the Group's future obligations.

The table below outlines the remaining contractual maturity dates of the Group's financial liabilities and the agreed-upon repayment periods. The table has been prepared based on the undiscounted cash flows of financial liabilities.

<i>As at 31 December 2025</i>	<i>Carrying value</i>	<i>1 year or less</i>	<i>More than one year and less than five years</i>	<i>More than five years</i>
Accounts payable, accrued expenses and other payables	144,071,246	144,071,246	-	-
Lease liabilities	60,838,196	7,414,940	29,933,122	23,490,134
Dividends payable	77,755,572	77,755,572	-	-
	<b><u>282,665,014</u></b>	<b><u>229,241,758</u></b>	<b><u>29,933,122</u></b>	<b><u>23,490,134</u></b>

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**27 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

*Liquidity risk (continued)*

<i>As at 31 December 2024</i>	<i>Carrying value</i>	<i>1 year or less</i>	<i>More than one year and less than five years</i>	<i>More than five years</i>
Accounts payable, accrued expenses and other payables	172,189,001	172,189,001	-	-
Due to related parties	12,535,173	12,535,173	-	-
Lease liabilities	68,860,605	8,022,410	30,449,467	30,388,728
Dividends payable	76,387,682	76,387,682	-	-
	<u>329,972,461</u>	<u>269,134,266</u>	<u>30,449,467</u>	<u>30,388,728</u>

**28 CAPITAL MANAGEMENT**

The Group manages its capital to ensure that the Group continues as a going concern and gains maximum returns through optimal debt and shareholders' equity.

The Company's capital structure includes the Company's shareholders' equity, which consists of capital, reserves, fair value reserve and retained earnings as included in the consolidated statement of changes in shareholders' equity.

**29 DIVIDENDS**

On 25 Rabi' al-Awwal 1447H (corresponding to 17 September 2025), Board of Directors' decided to distribute dividends for the first half of 2025 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 10 Thul-Qi'dah 1446H (corresponding to 8 May 2025), the Company's general assembly approved the Board of Directors' decision to distribute dividends for the second half of 2024 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 3 Rabi' al-Awwal 1446H (corresponding to 1 September 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the first half of 2024 at 25 halalas per share, totaling SAR 44,444,444.

On 14 Shawwal 1445H (corresponding to 23 April 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the second half of 2023 at 50 halalas per share, totaling SAR 88,888,888.

**30 COMMITMENTS AND CONTIGENCIES**

The Group has contingent liabilities from time to time relating to certain disputed matters, including claims from and against contractors, litigation and arbitration proceedings involving a variety of cases. These contingencies arise in the ordinary course of business. No significant additional liabilities are expected to be incurred from these potential claims.

There is an ongoing legal case against the Group filed by one of the tenants for an amount of SAR 74 million. Based on the legal counsel's assessment and in line with the Group's accounting policy, management does not expect an outflow of significant economic benefits.

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**31 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of shares outstanding during the year. Since there is no obligation to convert equity instruments, diluted earnings per share is the same as basic earnings per share.

The basic and diluted earnings per share calculation for the year is as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Net profit for the year	<b>296,062,285</b>	296,196,445
Weighted average number of ordinary shares held for calculating basic and diluted earnings per share	<b>227,161,684</b>	177,777,777
Basic and diluted earnings per share in net profit for the year	<b>1.30</b>	1.67

**32 SUBSEQUENT EVENTS**

Other than the subsequent events disclosed on note (9) and (13), there were no other significant subsequent events after 31 December 2025 and until the date of approval of the consolidated financial statements by the Board of Directors that may have a material impact on the consolidated financial statements as of 31 December 2025.

**33 COMPARATIVE FIGURES**

Certain figures have been reclassified as listed below to conform with the classification used for the year ended 31 December 2025. These reclassifications listed below have no impact on previously reported net income, retained earnings or net assets:

	<i>Balance as previously Reported</i>	<i>Amount of reclassificati on</i>	<i>Balance after reclassificati on</i>
<b>Consolidated Statement of Financial Position as at 31 Dec 2024</b>			
Property, plant and equipment (a)	18,695,462	1,087,559	<b>19,783,021</b>
Right-of-use assets (b)	50,323,255	(40,622,502)	<b>9,700,753</b>
Investment properties (a) & (b)	813,676,420	39,534,943	<b>853,211,363</b>

- During 2025, the land on which the administration buildings are constructed, and the administration buildings in the Group's markets and centers, were reclassified from investment properties to property, plant and equipment.
- During 2025, and in line with the nature of the Otiqah Market contract (build, invest and operate), the contract was reclassified from a separate line item within right-of-use assets to right-of-use assets included within investment properties.

Other than the reclassifications presented in the table above, there were no other material reclassifications requiring disclosure.

**34 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Board of Directors on 13 Ramadan 1447H (corresponding to 2 March 2026).