BANAN REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

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Alluhaid & Alyahya Chartered Accountants
A Limited Liability Company
Paid up capital SR 100,000 - CR:1010468314
Kingdom of Saudi Arabia Riyadh King Fahd Road
Muhammadiyah District, Grand Tower 12 th Floor

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BANAN REAL ESTATE COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Banan Real Estate Company (the "Company") and its subsidiaries, collectively referred to as the ("Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

For Alluhaid & Alyahya Chartered Accountants

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LYCA
اللحيد واليحيى محاسبون قانونيون
Alluhaid & Alyahya
Chartered Accountants

Turki A. Alluhaid
Certified Public Accountant
License No. (438)

Riyadh: 26 Safar 1448H
(9 August 2026)

BANAN REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	30 June 2026 SR (Unaudited)	31 December 2025 SR (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		**891,314**	1,052,517
Investment properties	8	**677,325,771**	735,128,750
Intangible assets		**11,251**	22,500
Right-of-use assets	9	**59,436,090**	61,016,413
Investments in joint ventures	10	**19,906,864**	19,906,864
Investment in associates	11	**40,358,476**	9,718,777
TOTAL NON-CURRENT ASSETS		**797,929,766**	826,845,821
CURRENT ASSETS			
Trade receivables, net		**2,302,759**	4,369,820
Amounts due from related parties	12	**3,230,384**	7,673,013
Prepayments and other financial assets		**3,038,421**	1,579,768
Financial assets at FVTPL		**2,828,042**	3,061,621
Cash and cash equivalents		**22,174,844**	24,900,509
TOTAL CURRENT ASSETS		**33,574,450**	41,584,731
TOTAL ASSETS		**831,504,216**	868,430,552
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**200,000,000**	200,000,000
Other reserves		**39,238,019**	39,207,252
Retained earnings		**194,265,334**	180,017,707
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**433,503,353**	419,224,959
Non-controlling interests		**226,351,852**	224,668,842
TOTAL EQUITY		**659,855,205**	643,893,801
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	13	**70,726,156**	104,214,506
Employees' benefit obligations		**2,530,141**	2,438,778
Lease liabilities – non-current portion	9	**66,656,387**	62,705,663
TOTAL NON-CURRENT LIABILITIES		**139,912,684**	169,358,947
CURRENT LIABILITIES			
Long term loans – current portion	13	**6,154,426**	12,089,813
Lease liabilities - current portion	9	**1,105,225**	2,879,225
Amounts due to related parties	12	**4,373,584**	3,880,430
Trade and other payable	14	**5,635,875**	15,592,726
Contract Liabilities		**14,066,372**	20,101,629
Zakat payable	15	**400,845**	633,981
TOTAL CURRENT LIABILITIES		**31,736,327**	55,177,804
TOTAL LIABILITIES		**171,649,011**	224,536,751
TOTAL EQUITY AND LIABILITIES		**831,504,216**	868,430,552

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board**
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The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

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BANAN REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025	**2026**	2025
		SR	SR	**SR**	SR
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenues		**18,377,721**	17,707,343	**37,088,631**	35,739,104
Cost of revenue		**(3,325,964)**	(3,103,296)	**(6,553,702)**	(6,416,465)
GROSS PROFIT		**15,051,757**	14,604,047	**30,534,929**	29,322,639
General and administrative expenses		**(2,801,337)**	(2,354,765)	**(5,073,537)**	(4,580,424)
Reversal of impairment on investment properties	8	**225,889**	2,181,647	**451,774**	2,444,018
Reversal of / (charge for) expected credit loss		**973,710**	(44,514)	**493,393**	457,853
PROFIT FROM MAIN OPERATIONS		**13,450,019**	14,386,415	**26,406,559**	27,644,086
Share of profit of joint ventures	10	**517,114**	555,458	**1,088,201**	1,292,440
Share of (loss) / profit of associates	11	**(123,517)**	48,189	**(178,274)**	75,319
Loss from financial assets at fair value through profit or loss		**(246,077)**	(238,482)	**(233,579)**	(177,814)
Gain on disposal of investment properties		**-**	-	**1,600,925**	1,228,315
Finance costs		**(1,253,867)**	(3,521,025)	**(2,756,235)**	(5,188,329)
Other income, net		**301,432**	361,118	**627,719**	609,830
INCOME BEFORE ZAKAT		**12,645,104**	11,591,673	**26,555,316**	25,483,847
Zakat	15	**(93,507)**	(423,894)	**(396,557)**	(582,830)
NET INCOME FOR THE PERIOD		**12,551,597**	11,167,779	**26,158,759**	24,901,017
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
Shareholders of the Company		**8,834,515**	8,169,421	**21,247,627**	18,167,245
Non-controlling interests		**3,717,082**	2,998,358	**4,911,132**	6,733,772
		12,551,597	11,167,779	**26,158,759**	24,901,017
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement of employee benefit obligations		**34,242**	(118,676)	**40,148**	(293,166)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**12,585,839**	11,049,103	**26,198,907**	24,607,851
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
Shareholders of the Company		**8,864,108**	8,045,395	**21,278,394**	17,882,821
Non-controlling interests		**3,721,731**	3,003,708	**4,920,513**	6,725,030
		12,585,839	11,049,103	**26,198,907**	24,607,851
Earnings per share from net profit attributable to shareholders of the Company (SR)					
Basic and diluted earnings per share		**0.04**	0.04	**0.11**	0.09

Chief Financial Officer | **Chief Executive Officer** | **Chairman of the Board**

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The attached notes 1 to 20 form an integral part of these interim condensed consolidated financial statements.

BANAN REAL ESTATE COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Share capital SR	Statutory reserve SR	Other reserves SR	Retained earnings SR	Total shareholders' equity SR	Non-controlling interests SR	Total SR
Balance as at 1 January 2025 (audited)	200,000,000	7,662,474	37,999,940	149,350,177	395,012,591	172,512,929	567,525,520
Net income for the period	-	-	-	18,167,245	18,167,245	6,733,772	24,901,017
Other comprehensive loss for the period	-	-	(284,424)	-	(284,424)	(8,742)	(293,166)
Total comprehensive income for the period	-	-	(284,424)	18,167,245	17,882,821	6,725,030	24,607,851
Loss from the acquisition of a subsidiary (note 1)	-	-	-	(113,903)	(113,903)	(40,814)	(154,717)
Non-controlling interests share from the acquisition of a subsidiary (note 1)	-	-	-	-	-	38,860,901	38,860,901
Treasury shares released	-	-	1,500,000	-	1,500,000	-	1,500,000
Loss on release of treasury shares	-	-	-	(65,625)	(65,625)	-	(65,625)
Transfer of statuary reserve to retained earnings	-	(7,662,474)	-	7,662,474	-	-	-
Dividends (note 16)	-	-	-	-	-	(6,475,008)	(6,475,008)
Balance as at 30 June 2025 (unaudited)	200,000,000	-	39,215,516	175,000,368	414,215,884	211,583,038	625,798,922
Balance as at 1 January 2026 (audited)	**200,000,000**	**-**	**39,207,252**	**180,017,707**	**419,224,959**	**224,668,842**	**643,893,801**
Net income for the period	**-**	**-**	**-**	**21,247,627**	**21,247,627**	**4,911,132**	**26,158,759**
Other comprehensive income for the period	**-**	**-**	**30,767**	**-**	**30,767**	**9,381**	**40,148**
Total comprehensive income for the period	**-**	**-**	**30,767**	**21,247,627**	**21,278,394**	**4,920,513**	**26,198,907**
Dividends (note 16)	**-**	**-**	**-**	**(7,000,000)**	**(7,000,000)**	**(3,237,503)**	**(10,237,503)**
Balance as at 30 June 2026 (unaudited)	**200,000,000**	**-**	**39,238,019**	**194,265,334**	**433,503,353**	**226,351,852**	**659,855,205**

Chief Financial Officer
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Chief Executive Officer
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Chairman of the Board
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The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

BANAN REAL ESTATE COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Notes	**2026 SR (Unaudited)**	2025 SR (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat		**26,555,316**	25,483,847
Adjustments to reconcile income before zakat to net cash flows:			
Depreciation of investment properties	8	**3,597,299**	3,564,928
Depreciation of property and equipment		**195,285**	220,057
Amortization of intangible assets		**11,249**	11,674
Depreciation of right-of-use-assets	9	**1,580,323**	1,393,995
Reversal of impairment of investment properties	8	**(451,774)**	(2,444,018)
Gain on disposal of investment properties, net		**(1,600,925)**	(1,228,315)
Share of profit of joint ventures	10	**(1,088,201)**	(1,292,440)
Share of loss of associates	11	**178,274**	(75,319)
Loss from financial assets at fair value through profit or loss		**233,579**	177,814
Provision for / (reversal of) expected credit losses		**(493,393)**	(457,853)
Provision for employee benefit obligations		**133,677**	105,487
Finance costs		**2,756,235**	5,188,329
		31,606,944	30,648,186
Changes in operating assets and liabilities:			
Trade receivables, net		**2,560,454**	(61,733)
Prepayments and other financial assets		**(1,458,653)**	(1,079,992)
Trade and other payable		**(3,789,504)**	(11,087,523)
Contract Liabilities		**(6,035,257)**	
Amounts due from related parties		**4,442,629**	1,996,764
Amounts due to related parties		**493,154**	4,138,046
Cash from operating activities		**27,819,767**	24,553,748
Zakat paid		**(629,693)**	(1,112,655)
Employees' benefit obligations paid		**(56,035)**	(15,743)
Net cash from operating activities		**27,134,039**	23,425,350
Cash flow from investing activities			
Purchase of property and equipment		**(34,082)**	(35,824)
Purchase of investment properties	8	**(7,148,061)**	(3,832,023)
Proceeds from disposal of investment properties		**41,328,895**	3,398,500
Dividends received from joint ventures		**1,088,201**	-
Cash paid for the acquisition of an associate		**(6,500,000)**	-
Cash paid for the acquisition of subsidiary	1	**-**	(27,620,000)
Purchase of financial assets at fair value through profit or loss		**-**	(225,660)
Net cash used in investing activities		**28,734,953**	(28,315,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	13	**4,738,000**	16,000,000
Repayments of loans	13	**(46,860,334)**	(24,972,290)
Lease liabilities payments	9	**(67,473)**	(2,817,473)
Proceeds from release of treasury shares		**-**	1,434,375
Dividends paid to shareholders		**(16,404,850)**	(3,237,504)
Net cash used in financing activities		**(58,594,657)**	(13,592,892)
Net change in cash and cash equivalents		**(2,725,665)**	(18,482,549)
Cash and cash equivalents at the beginning of the period		**24,900,509**	35,735,736
Cash and cash equivalents acquired from a subsidiary			4,453,524
Cash and cash equivalents at the end of the period		**22,174,844**	21,706,711
Non-cash transactions			
Investment in associate	11	**24,317,973**	-
Dividends	16	**-**	3,237,504
Finance costs capitalized to investment properties	8	**2,240,428**	(1,823,493)
Additions to right-of-use assets and lease liabilities	9	**-**	66,860,003

Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board**
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1- GENERAL INFORMATION

Banan Real Estate Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010207597 dated 24 Safar 1426H (corresponding to 4 April 2005).

The Company is engaged in leasing of owned or leased properties (residential and non-residential), managing and operating hotel apartments, managing real estate for a commission and providing real estate registration services.

The registered address of the Company is at North Maathar District, Muhammed bin Abdul Aziz Street - block 14 - Building No. 2195, Sub Number 7464.

The accompanying interim condensed consolidated financial statements incorporate the financial statements of Banan Real Estate Company (the "Company") or (the "Parent") and its subsidiaries, collectively referred to as (the "Group"). The following is the subsidiaries of the Company:

Name of the Company	**Percentage of Shareholding (%)**	
	30 June 2026	31 December 2025
Al-Aziza Real Estate Development and Investment Company	**46.042%**	46.042%
Qimam Noshaz Real Estate Development Company	**52.11%**	52.11%

(a) Al-Aziza Real Estate Development and Investment Company ("Subsidiary") is a Saudi closed joint stock company operating under commercial registration numbered 1010288389 dated 5 Jumada Al-Thani 1431H (corresponding to 19 May 2010). It is engaged in general constructions of residential buildings, and general constructions of non-residential buildings such as schools, hospitals and hotels.

(b) Qimam Noshaz Real Estate Development Company is a simplified joint stock company (Closed) operating under commercial registration number 1009125176 dated 26 Rabi' Al-Thani 1446H (corresponding to 29 October 2024). It is engaged in general construction of residential and non-residential buildings such as schools, hospitals and hotels, as well as, construction of prefabricated buildings on sites, building finishing, purchase and sale of land and real estate, off-plan sales activities, management and leasing of owned or leased properties.

During the year 2025, the Group acquired Qimam Noshaz Real Estate Development Company with the total consideration amounting to SR 31,950,000 for a controlling share, with net assets acquired recognized at carrying value amounting to SR 31,795,283. As the transaction represents a business combination under common control, no goodwill was recognized, and the difference was recorded in the retained earnings, including the Group's share of losses amounting to SR 113,903 and non-controlling interests in Al-Aziza Real Estate Development and Investment Company amounting to SR 40,814.

During July 2025, a capital increase in Qimam, together with an additional investment by the Group, increased the Group's shareholding to 52.11%.

2- BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard -34, Interim Financial Reporting Standard ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA. In addition, results for the period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2026.

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Group.

The Group's management has prepared these interim condensed consolidated financial statements on the basis that the Group will continue to operate as a going concern. The Group's management considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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3- BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its Subsidiaries as at 30 June 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investees. Specifically, the Group controls investees if, and only if, the Group has:

- Power over the investee company (that is, the existence of existing rights to give the company the current ability to direct the activities related to the investee company).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls investees, if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 in the consolidated financial statements from the date the Group gains control until the date 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 parent 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 financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4- MATERIAL ACCOUNTING POLICIES, JUDGMENTS, ESTIMATED AND ASSUMPTIONS

The material accounting policies, judgments, estimates and assumptions adopted by management in the preparation of the interim condensed consolidated financial statements as at 30 June 2026 were the same as those described in the Group’s annual consolidated financial statements as at 31 December 2025.

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5- ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Standards, Amendments and Interpretations effective in the current period

In the current period, the Group has adopted all amendments to standards issued by the International Accounting Standards Board ("IASB") and adopted by SOCPA that are mandatory for adoption in the annual periods beginning on or after 1 January 2026 and are applicable to the Group. The management has assessed that the amendments have no significant impact on the Group's interim condensed consolidated financial statements.

Standard / interpretation	Description	Effective date
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	The amendments clarify the requirements for the classification and measurement of financial assets and financial liabilities under IFRS 9. They provide guidance on the derecognition of financial liabilities settled through electronic payment systems, clarify the assessment of contractual cash flow characteristics for financial assets (including those with environmental, social and governance (ESG)-linked features and non-recourse arrangements), and introduce additional disclosure requirements in IFRS 7 to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.	1 January 2026
Annual improvements to the IFRS Accounting Standards	The Annual Improvements introduce minor amendments to various IFRS Accounting Standards to clarify wording, resolve inconsistencies, and improve the consistency of requirements without significantly changing existing accounting principles. These amendments are intended to enhance the clarity and application of the standards in practice.	1 January 2026

5.2 New Standards, Amendments to Standards and Interpretations

The following standards were in issue at the date of authorization of these interim condensed consolidated financial statements but are not yet effective. The Group intends to adopt these standards, if applicable, when they become effective.

Standards / amendments to standards / interpretations	Effective date
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

The management does not expect that the adoption of the above-mentioned standards will have a material impact on the Group's consolidated financial statements in future periods, except for the IFRS 18 which is detailed below:

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim condensed consolidated financial statements, however, earlier application is permitted. The Group's management is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

a) <u>Structure of the Statement of Profit or Loss</u>

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that leasing of owned properties, development and sale constitute main business activity for the Group.

Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss resulting from the following:

- Given that the Group's primary activities are development, sale and leasing of real estate properties, the Group's management expects that the development and sale of real estate properties (including related construction, marketing, and ancillary services) will constitute the Group's primary operating activity and expected to be classified within the operating category. Moreover, leasing of real estate properties (primarily investment properties accounted for under IAS 40 Investment Property) is also expected to be considered part of the Group's main business activities of investing in assets. Accordingly, income and expenses arising from these investment properties (e.g., rental income, fair value gains/losses, depreciation where applicable, and directly attributable costs) that would otherwise be classified in the investing category are expected to be classified to the operating category.
- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'net finance costs' subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories. Hence, this current presentation and classification are expected to change in line with the relevant guidance in IFRS 18.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and zakat". The operating profit subtotal might differ from the current operating profit subtotal presented by the Group.

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5- ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS - CONTINUED

5.2 New Standards, Amendments to Standards and Interpretations - Continued

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes. The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period before zakat as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

6- EARNING PER SHARE (EPS)

Basic and diluted earnings per share are calculated by dividing the net income attributed to the shareholders of the Group for the three-month and six-month periods ended 30 June 2026 and 30 June 2025 by 200 million ordinary shares.

7- SEGMENTS INFORMATION

Operating business segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management considers the Group is organised into one operating segment which represents leasing of investment properties and property sale related activities. Accordingly, the presentation of the different segment information is not applicable. Furthermore, the Group operates its activities within the Kingdom of Saudi Arabia.

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8- INVESTMENTS PROPERTIES

	Lands	Buildings	Capital work-in-progress	Total
	SR	SR	SR	SR
Cost:				
At 1 January 2026 (audited)	**510,797,711**	**285,249,259**	**13,424,412**	**809,471,382**
Additions during the period	**-**	**172,645**	**9,215,844**	**9,388,489**
Disposals during the period (*)	**(61,016,807)**	**(4,272,375)**	**-**	**(65,289,182)**
At 30 June 2026 (unaudited)	**449,780,904**	**281,149,529**	**22,640,256**	**753,570,689**
Accumulated depreciation:				
At 1 January 2026 (audited)	**-**	**68,060,850**	**-**	**68,060,850**
Depreciation for the period	**-**	**3,597,299**	**-**	**3,597,299**
Disposals during the period (*)	**-**	**(1,243,239)**	**-**	**(1,243,239)**
At 30 June 2026 (unaudited)	**-**	**70,414,910**	**-**	**70,414,910**
Impairment:				
At 1 January 2026 (audited)	**-**	**6,281,782**	**-**	**6,281,782**
Reversal during the period	**-**	**(451,774)**	**-**	**(451,774)**
At 30 June 2026 (unaudited)	**-**	**5,830,008**	**-**	**5,830,008**
Net book value:				
At 30 June 2026 (unaudited)	**449,780,904**	**204,904,611**	**22,937,563**	**677,325,771**

(*) During the period ended 30 June 2026, the Group disposed of the following:

- Qimam Noshoz Real Estate Development Company (a subsidiary) partially disposed of a parcel of land located in Al Rahmaniyah. Of the disposed land, a portion with a carrying amount of SR 29,084,278 was sold to a third party, resulting in a gain of SR 1,244,622. The remaining equal portion of the land was contributed by the subsidiary as an in-kind consideration for investment in a real estate investment fund, based on the Fund's agreed valuation, resulting in a loss of SR 4,766,310. (see Note 11).
- The Company disposed of the "Al Wadi Building," where the carrying amount of the land was SR 2,848,251 and the net carrying amount of the building was SR 3,029,136, for a total consideration of SR 11,000,000. This transaction resulted in a gain on disposal of SR 5,122,613.

Accordingly, a net gain of SR 1,600,925 was recognized in the interim condensed consolidated statement of profit or loss for the period.

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8- INVESTMENT PROPERTES – CONTINUED

	At 31 December 2025 SR			
	Lands	Buildings	Capital work-in-progress	Total
Cost:				
At 1 January 2025 (audited)	338,421,420	282,152,686	-	620,574,106
Additions during the year	-	3,096,573	13,424,412	16,520,985
Additions on acquisition of a subsidiary	174,546,476	-	-	174,546,476
Disposals during the year	(2,170,185)	-	-	(2,170,185)
At 31 December 2025 (audited)	510,797,711	285,249,259	13,424,412	809,471,382
Accumulated depreciation:				
At 1 January 2025 (audited)	-	60,913,818	-	60,913,818
Depreciation for the year	-	7,147,032	-	7,147,032
At 31 December 2025 (audited)	-	68,060,850	-	68,060,850
Impairment:				
At 1 January 2025 (audited)	-	4,883,079	-	4,883,079
Charge for the year	-	3,645,410	-	3,645,410
Reversal during the year	-	(2,246,707)	-	(2,246,707)
At 31 December 2025 (audited)	-	6,281,782	-	6,281,782
Net book amount:				
At 31 December 2025 (audited)	510,797,711	210,906,627	13,424,412	735,128,750

The capital work-in-progress includes the expenses incurred on investment properties, which are being renovated by the Group's management and development of Al Rahmaniyah and Alwadi projects.

Investment properties include properties pledged to certain local banks against the facilities obtained by the Group, with carrying value of SR 310.5 million and fair value of SR 529 million (31 December 2025: SR 370 million and SR 547 million, respectively).

The fair value of the investment properties was determined by Itqan Real Estate Company and its partner (Nasser Khaled Al-Takhim, Abdullah Muhammad Al-Ajmi), accredited valuer by the Saudi Authority for Accredited Valuers ("Taqeem"), holding membership numbers 1210001816, and 1210001245, respectively. Itqan Real Estate Company and its partner are independent valuers, not related to the Group, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued.

The Group's land and buildings were evaluated to determine their fair value as of 30 June 2026. The fair value based on the valuation of both the Group's land and buildings amounted to SR 1,101 million as of that date (31 December 2025: SR 1,078 million). The valuation techniques used to determine the fair value of investment properties represent the income approach (income capitalization) and the market approach (comparable method). Accordingly, impairment of SR 451,774 was reversed during the period (period ended 30 June 2025: reversal of SR 2,444,018).

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8- INVESTMENT PROPERTES – CONTINUED

The amounts recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income for investment properties are as follows:

	30 June 2026 SR	*30 June 2025 SR*
	(Unaudited)	(Audited)
Leasing revenue	**37,088,631**	35,739,104
Cost of leasing revenue	**(6,553,702)**	(5,089,878)
Reversal of impairment on investment properties	**451,774**	2,444,018

9- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets	***30 June 2026 SR***	*31 December 2025 SR*
	(Unaudited)	(Audited)
Cost:		
At the beginning of the period/year	**64,411,540**	466,745
Additions during the period / year(*)	**-**	63,944,795
At the end of the year	**64,411,540**	64,411,540
Accumulated depreciation:		
At the beginning of the period/year	**3,395,127**	223,948
Additions during the period / year	**1,580,323**	3,171,179
At the end of the period/year	**4,975,450**	3,395,127
Net book amounts:	**59,436,090**	61,016,413

Lease liabilities
Following is the detail of movements in lease liabilities.

	30 June 2026 SR	*31 December 2025 SR*
	(Unaudited)	(Audited)
As at 1 January	**65,584,888**	249,715
Additions during the period / year	**-**	63,944,795
Interest expense during the period/year (**)	**2,244,197**	4,275,324
Paid during the period/ year	**(67,473)**	(2,884,946)
As at 31 December	**67,761,612**	65,584,888
Current portion of lease liabilities	**1,105,225**	2,879,225
Non-current portion of lease liabilities	**66,656,387**	62,705,663

(*) On 27 January 2025, the Subsidiary, Qimam Nashaz Real Estate Development Company, has signed an agreement with Armah Sports Company, whereby the Subsidiary, pursuant to this agreement, will lease out a land in Riyadh, with the intention of developing a sports project. Under the agreement, Armah Sports Company is obligated to lease out the project after its development is completed, until the end of the lease term for leases of the land. The agreement also grants the Subsidiary the right to use the undetermined land area of the sports project in all sorts.

(**) During the period ended 30 June 2026, the Group capitalized interest of SR 2,240,428 in investment properties (30 June 2025: SR 1,823,493).

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10- INVESTMENTS IN JOINT VENTURES

	30 June 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	*(Audited)*
At the beginning of the period / year	**19,906,864**	19,906,864
Share in net profit for the period / year	**1,088,201**	2,179,607
Dividends	**(1,088,201)**	(2,179,607)
At the end of the period / year	**19,906,864**	19,906,864

11- INVESTMENT IN AN ASSOCIATE

	30 June 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	*(Audited)*
At the beginning of the period / year	**9,718,777**	10,326,323
Additions during the period / year	**30,817,973**	-
Share of net loss for the period / year	**(178,274)**	(607,546)
At the end of the period / year	**40,358,476**	9,718,777

During the six-month period ended 30 June 2026, the Group subscribed to Artal Real Estate Fund IV, a real estate fund managed by Artal Capital Company, through a combination of in-kind and cash contribution.

As part of the subscription, the Group contributed a portion of a land parcel owned by its subsidiary, Qimam Noshaz Real Estate Company ("Qimam"), with a carrying amount of SR 29,084,278 as an in-kind contribution to the Fund. The in-kind contribution was valued at SR 24,317,973, representing the agreed transaction value between the Fund and Qimam in exchange for 2,431,797 units in the Fund. In addition, during the three-month period ended 30 June 2026, the Company made a direct cash contribution of SR 6,500,000 in exchange for 650,000 units, resulting in a total investment of SR 30,817,973 against 3,081,797 units in total.

The Fund commenced its operations on 6 April 2026. Following the commencement of the Fund's activities, the Group reassessed the accounting treatment of its investment and concluded that it has significant influence over the Fund in accordance with IAS 28 Investments in Associates and Joint Ventures. This assessment was based on the Group's combined ownership interest of approximately 48.42%, comprising a direct ownership interest of 10.21% held by the Company and an additional ownership interest of 38.21% held by Qimam. In addition, the Group is entitled to appoint two out of the six members of the Fund's Board of Directors, providing further evidence of the Group's significant influence over the Fund's financial and operating policy decisions.

Accordingly, the investment has been accounted for as an investment in an associate from the date the Fund commenced its operations, in accordance with IAS 28.

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12- RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The Group is controlled by its shareholders. No single shareholder can direct the activities of the Group without cooperation of the other shareholders.

The following transactions were carried out with the related parties during the six-months period ended 30 June:

Related Party	***Nature of relationship***	***Nature of transactions***	***2026*** ***SR*** **(Unaudited)**	*2025* *SR* (Unaudited)
International Hotels Company	Entity owned by a shareholder of the Group	Leasing revenue	**3,450,000**	3,450,000
Tahlia Mall Project – block 14	Joint venture	Collections on behalf	**3,582,831**	3,083,381
		Payments	**1,810,854**	1,833,063
		Management fees	**70,625**	73,201
Al-Haqbani Commercial Group Company	Entity owned by a shareholder of the Group	Leasing revenue	**1,447,433**	1,202,300
		Expenses	**1,757**	-
Al-Haqbani for Information Technology Company	Entity owned by a shareholder of the Group	Leasing revenue	**47,048**	41,250
Al Badiah Building Project	Joint venture	Collections on behalf	**-**	880,702
		Payments	**-**	430,663
		Management fees	**-**	15,000
Arabian Company for Fans	Entity owned by a shareholder of the Group	Leasing revenue	**1,063,299**	1,082,270
AD Company For Mechanical & Electrical Equipment Ltd.	Entity owned by a shareholder of the Group	Leasing revenue	**331,529**	290,675
Sanad Holding Co.	Entity owned by a shareholder of the Group	Leasing revenue	**60,848**	53,350
Abaad Al-Eamar Real Estate Company	Entity owned by a shareholder of the Group	Leasing revenue	**40,199**	35,245
		Expenses	**32,500**	-
Speed Itgan Company	Entity owned by a shareholder of the Group	Leasing revenue	**149,184**	130,800
Summit Materials Trading Company	Entity owned by a shareholder of the Group	Leasing revenue	**-**	31,267
Cracker Contracting Company	Entity owned by a shareholder of the Group	Leasing revenue	**208,093**	145,993
		Expenses	**6,210**	345
Alpha West Trading Company	Entity owned by a shareholder of the Group	Leasing revenue	**83,830**	73,500
Banan Arabia trading Co.	Entity owned by a shareholder of the Group	Leasing revenue	**35,464**	52,033
Era Lighting for trading	Entity owned by a shareholder of the Group	Leasing revenue	**36,269**	31,800
Samaya International Holding Company	Shareholder of the subsidiary	Advance to increase share capital of the Subsidiary	**-**	1,500,000
Mohammed Ali Abdulaziz Al-Suwailem	Shareholder of the subsidiary	Advance to increase share capital of the Subsidiary	**-**	1,191,020

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12- RELATED PARTY TRANSACTIONS AND BALANCES - CONTINUED

12.1 Related party balances

The following are the details of the related party balances at the period / year end:

Amounts due from related parties

	30 June 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	(Audited)
Kalima Real Estate Development and Investment Company	**2,940,160**	7,440,160
Etihad Hittin Real Estate company	**232,853**	232,853
Badr Al-Haqbani	**57,371**	-
	3,230,384	7,673,013

Amounts due to related parties

	30 June 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	(Audited)
Tahlia Mall Project – block 14	**2,543,584**	2,050,430
Sultan Khalid Al-Haqbani	**1,830,000**	1,830,000
	4,373,584	3,880,430

12.2 Key management compensation

The compensation paid or payable to key management for employee services during the six-months period ended 30 June is as follows:

	2026 ***SR***	*2025* *SR*
	(Unaudited)	(Unaudited)
Short term benefits	**1,370,190**	1,285,193
Long-term benefits	**100,137**	51,972
	1,470,327	1,337,165

13- LOANS

The movement in loans is as follows:

	30 Jun 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	(Audited)
Long-term loans		
At the beginning of the period/year	**116,304,319**	32,724,828
Addition on loans from acquisition of a subsidiary	**-**	110,343,815
Addition on loans	**4,738,000**	16,000,000
Repayment of loans	**(46,860,334)**	(52,382,882)
Interests on loans	**2,698,597**	9,618,558
At the end of the period/year	**76,880,582**	116,304,319
Long term loans – current portion	**6,154,426**	12,089,813
Long term loans – non-current portion	**70,726,156**	104,214,506

Finance charges for the period amounted to SR 2,698,597 have been recognised in the consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2026 (30 June 2025: SR 5,144,380).

14- TRADE AND OTHER PAYABLES

	30 June 2026 ***SR***	*31 December 2025* *SR*
	(Unaudited)	(Audited)
Trade payables	**1,507,675**	3,803,789
Accrued bonus	**987,999**	1,453,999
Dividends payable to the Shareholders	**1,623,555**	7,790,902
Value added tax payable	**-**	1,039,843
Security deposits	**579,635**	587,660
Accrued Expenses	**937,011**	916,533
	5,635,875	15,592,726

15- ZAKAT

15.1The movement in the zakat provision is as follows:

	30 June 2026 **SR**	*31 December 2025* *SRSR*
	(Unaudited)	(Audited)
At the beginning of the period / year	**633,981**	1,116,943
Provided during the period / year	**396,557**	811,433
Paid during the period / year	**(629,693)**	(1,294,395)
Balance at the end of the period / year	**400,845**	633,981

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15- ZAKAT - CONTINUED

15.2 Status of assessments

a) The Company – Banan Real Estate Company

The Company has submitted Zakat returns up to the financial year ended 31 December 2025. The Zakat, Tax and Customs Authority (ZATCA) has issued final Zakat assessments up to the financial year ended 31 December 2017. The Zakat returns submitted for the years 2018 through 2025 which have not yet been finalized by ZATCA.

b) The Subsidiary - Al-Aziza Real Estate Development and Investment Company

The Company has submitted Zakat returns up to the financial year ended 31 December 2025. The Zakat assessments have been finalized up to financial year 2020. The Zakat returns submitted for the years 2021 through 2025 has not yet been finalized by ZATCA.

c) The Subsidiary – Qimam Noshaz Real Estate Development Company

The Company has submitted its first Zakat return, as the financial year ended 31 December 2025 represents the Company's first financial year.

16- DIVIDENDS

On 10 May 2026, the Board of Directors of the Parent Company (Banan Real Estate), pursuant to the authorization granted by the General Assembly, resolved on 13 May 2026 to approve the distribution of cash dividends amounting to SR 7 million (SR 0.35 per share) in respect of the second half of the financial year ended 31 December 2025.

During the six-month period ended 30 June 2026, the Board of Directors of Al Aziza Real Estate Company (the Subsidiary), pursuant to the authorization granted by the General Assembly, resolved on 29 March 2026 and 28 June 2026 to declare cash dividends of SR 3 per share on each occasion, amounting to aggregate cash dividends of SR 6 million. The aggregate portion attributable to the non-controlling interests amounted to SR 3,237,503.

17- GEOPOLITICAL DEVELOPMENT

In March 2026, the region experienced geopolitical instability that affected countries across the area. While the situation continues to evolve, the Group maintains a robust operational framework to manage associated risks. These developments did not have a material impact on the Group's interim condensed consolidated financial statements for the period ended 30 June 2026. However, given the evolving nature of the conflict, the potential long term impact on the Group's operations and financial performance will continue to be assessed at future reporting dates.

18- COMMITMENTS AND CONTINGENCIES

The Group has contractual arrangements and agreements in connection with the long-term construction and development of its investment properties, resulting in commitments amounting to SR 12 million.

19- EVENTS AFTER THE END OF REPORTING PERIOD

On 16 July 2026, the Board of Directors of the Company, approved the establishment of a new Saudi closed joint-stock company with a share capital of SAR 44,075,000, in which the Group will hold a 60.47% ownership interest. The new company will be established to acquire and develop land and undertake real estate development and investment activities. Upon completion of the incorporation procedures, the new company is expected to be consolidated into the Group's consolidated financial statements in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia.

20- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying interim condensed consolidated financial statements were approved by the Board of Directors on 22 Safar 1448H (corresponding to 5 August 2026).