Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

Interim condensed consolidated financial statements for the six-month period ended 30 June 2026

El Sayed El Ayouty & Co.
Certified Public Accountants

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Independent Auditor's review report on the interim condensed consolidated financial statements

To the Shareholders of
Saudi Real Estate Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Real Estate Company Saudi Joint Stock Company (" the Company") and its subsidiaries ("collectively referred to as the "Group"), as of 30 June 2026 and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, interim condensed consolidated statements of 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"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matters

We draw attention to note (5.A) to the interim condensed consolidated financial statements for the period ended June 30, 2026, as stated therein, certain land parcels owned by the Group are currently not available for use or development due to various reasons, of which certain reasons relate to the areas where these lands are located and other related to the fact that they are under study from specialized committees to resolve these matters. The management is currently communicating with the related government agencies and committees to address these reasons to allow the use of these lands. The impact on the recoverable amount of these lands is still uncertain and depends on the final results of the study by the assigned committees. The carrying amount of these lands amounted to SR 339 million as of June 30, 2026 (December 31, 2025: SR 438 million).

Independent Auditor's review report on the interim condensed consolidated financial statements (Continued)

To the shareholders of
Saudi Real Estate Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Emphasis of Matters (Continued)

We draw attention to note (5.B) to the interim condensed consolidated financial statements the period ended June 30, 2026, the management was informed by the relevant government agencies that one of the subsidiaries' land which was designated for the Al Widyan project is located within an area that is currently under study with the aim of developing it by the government agencies, which may result into a material change to the original project's plan and the land's recoverable value. The impact of this matter is uncertain and depends on the completion of the study by the government agencies and future developments in the area. The carrying amount of the land and capital work-in-progress amounted to SR 2.9 billion as at June 30, 2026 (December 31, 2025: SR 2.9 billion).

No modified conclusion was expressed in relation to the matter referred to in the Emphasis of Matters paragraph above.

FOR EL SAYED EL AYOUTY & CO.

A. Balamash

Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

Riyadh: August 10, 2026
Safar 27, 1448 H

Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

Interim condensed consolidated statement of financial position as of 30 June 2026

(In Saudi Riyals Thousands, unless otherwise indicated)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net		**31,684**	35,548
Investments properties, net	5	**5,921,620**	5,696,155
Intangible assets, net		**4,126**	5,219
Investment in associates and a joint venture	6	**150,969**	419,127
Investments in equity instruments designated at FVOCI	7	**1,184,795**	236,323
Right-of-use assets		**196,890**	204,884
Properties available for sale, non-current portion	8	**429,428**	386,705
TOTAL NON-CURRENT ASSETS		**7,919,512**	6,983,961
CURRENT ASSETS			
Properties available for sale	8	**205,048**	243,603
Inventories		**44,436**	48,534
Prepaid expenses and other receivables, net		**129,762**	139,517
Trade receivables, net		**449,977**	369,450
Investments in equity instruments designated at FVOCI - Current	7	**80,839**	77,201
Short-term bank deposits		**150,000**	-
Cash and cash equivalents		**1,176,135**	1,552,604
TOTAL CURRENT ASSETS		**2,236,197**	2,430,909
TOTAL ASSETS		**10,155,709**	9,414,870
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**3,750,000**	3,750,000
Share premium		**222,700**	222,700
Statutory reserve	10	**720,000**	720,000
Contractual reserve		**10,051**	10,051
Other reserves		**79,067**	73,693
Retained earnings		**1,108,693**	521,811
Equity attributable to shareholders of the parent company		**5,890,511**	5,298,255
Non-controlling interests		**385,366**	307,575
TOTAL EQUITY		**6,275,877**	5,605,830
NON-CURRENT LIABILITIES			
Term loan, non-current portion	11	**1,993,962**	1,939,183
Loan from Ministry of Finance, non-current portion	12	**496,654**	588,143
Lease liabilities, non-current portion		**241,463**	233,424
Employees' defined benefit obligations		**57,159**	60,763
TOTAL NON-CURRENT LIABILITIES		**2,789,238**	2,821,513
CURRENT LIABILITIES			
Term loan, current portion	11	**263,668**	129,279
Loan from Ministry of Finance, current portion	12	**176,443**	169,908
Lease liabilities, current portion		**19,761**	20,150
Trade payables		**184,873**	149,596
Unearned revenue		**84,323**	85,191
Accrued expenses and other payables		**303,045**	384,620
Zakat provision	13	**58,481**	48,783
TOTAL CURRENT LIABILITIES		**1,090,594**	987,527
TOTAL LIABILITIES		**3,879,832**	3,809,040
TOTAL LIABILITIES AND EQUITY		**10,155,709**	9,414,870

Acting Chief Financial Officer	Chief Executive Officer	Chairman
Abdulaziz Almogbil	Abdullah Abudawood	Naif Alhamdan

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

Saudi Real Estate Company and its Subsidiaries
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2026
(In Saudi Riyals Thousands, unless otherwise indicated)

	Note	For the three-month period from 1 April to 30 June		For the six-month period from 1 January to 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Revenue		**422,958**	488,986	**742,780**	1,117,061
Cost of revenue		**(219,032)**	(250,954)	**(379,506)**	(569,337)
Gross profit		**203,926**	238,032	**363,274**	547,724
Selling and marketing expenses		**(3,417)**	(1,997)	**(4,822)**	(4,313)
General and administration expenses		**(34,912)**	(62,683)	**(239,046)**	(126,695)
Operating profit		**165,597**	173,352	**119,406**	416,716
Dividends of investments in equity instruments designated at FVOCI		**1,045**	–	**1,045**	–
Share of profit of associates and a joint venture	6	**18,966**	9,614	**27,018**	18,845
Gain on remeasurement of retained investment upon loss of significant influence	6	**-**	–	**640,404**	–
Other income		**9,667**	10,212	**19,443**	17,414
Finance charges		**(46,917)**	(54,076)	**(104,872)**	(119,590)
Profit before zakat		**148,358**	139,102	**702,444**	333,385
Zakat		**(6,278)**	(14,171)	**(45,696)**	(31,393)
Net profit for the period		**142,080**	124,931	**656,748**	301,992
Profit for the period attributable to:					
Shareholders of the parent company		**103,289**	94,446	**578,957**	229,619
Non-controlling interest		**38,791**	30,485	**77,791**	72,373
		142,080	124,931	**656,748**	301,992
Earnings per share:					
Basic and diluted earnings per share of net profit for the period attributable to shareholders of the parent company (in Saudi Riyals)	14	**0.28**	0.25	**1.54**	0.61
Other comprehensive income:					
Share of other comprehensive income of associates and a joint venture		**-**	–	**2,537**	–
Net change in fair value of investments in equity instruments designated at FVOCI		**10,350**	3,245	**10,762**	66,680
Other comprehensive income for the period		**10,350**	3,245	**13,299**	66,680
Total comprehensive income for the period		**152,430**	128,176	**670,047**	368,672
Total comprehensive income for the period attributable to:					
Shareholders of the parent company		**113,639**	97,691	**592,256**	296,299
Non-controlling interest		**38,791**	30,485	**77,791**	72,373
		152,430	128,176	**670,047**	368,672

Acting Chief Financial Officer	Chief Executive Officer	Chairman
Abdulaziz Al Mogbil	Abdullah Abudawood	Naif Alhamdan

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

Interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026

(In Saudi Riyals Thousands, unless otherwise indicated)

	Equity attributable to shareholders of the parent company								
	Share capital	Share Premium	Statutory reserve	Contractual reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As of 1 January 2025 (Audited)	3,750,000	222,700	720,000	10,051	128,477	147,815	4,979,043	203,733	5,182,776
Net profit for the period	–	–	–	–	–	229,619	229,619	72,373	301,992
Other comprehensive income for the period	–	–	–	–	66,680	–	66,680	–	66,680
Total comprehensive income for the period	–	–	–	–	66,680	229,619	296,299	72,373	368,672
Dividends paid by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	(28,000)	(28,000)
Balance as of 30 June 2025 (Unaudited)	3,750,000	222,700	720,000	10,051	195,157	377,434	5,275,342	248,106	5,523,448

	Equity attributable to shareholders of the parent company								
	Share capital	Share Premium	Statutory reserve	Contractual reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As of 1 January 2026 (Audited)	**3,750,000**	**222,700**	**720,000**	**10,051**	**73,693**	**521,811**	**5,298,255**	**307,575**	**5,605,830**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**578,957**	**578,957**	**77,791**	**656,748**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**13,299**	**-**	**13,299**	**-**	**13,299**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**13,299**	**578,957**	**592,256**	**77,791**	**670,047**
Reclassification of the Group's share of other comprehensive income related to an associate upon loss of significant influence	**-**	**-**	**-**	**-**	**(7,925)**	**7,925**	**-**	**-**	**-**
Balance as of 30 June 2026 (Unaudited)	**3,750,000**	**222,700**	**720,000**	**10,051**	**79,067**	**1,108,693**	**5,890,511**	**385,366**	**6,275,877**

Acting Chief Financial Officer
Abdulaziz Al Mogbil

Chief Executive Officer
Abdullah Abudawood

Chairman
Naif Alhamdan

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

Saudi Real Estate Company and its Subsidiaries
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2026
(In Saudi Riyals Thousands, unless otherwise indicated)

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from operating activities		
Income for the period before zakat	**702,444**	333,385
Adjustments for non-cash items:		
Depreciation of properties, equipment, investment properties and right-of-use assets	**40,773**	40,442
Amortization of intangible assets	**1,605**	1,413
Finance charge	**104,872**	119,590
Provision for employees' defined benefit obligations	**1,024**	12,907
Gains on remeasurement of investment held after loss of significant influence	**(640,404)**	–
Gains on disposal of property and equipment	**(121)**	–
Group's share in profits of associates and a joint venture	**(27,018)**	(18,845)
	183,175	488,892
Adjustments in working capital:		
Trade receivables	**(80,527)**	314,438
Prepayments and other receivables	**9,755**	(76,620)
Inventories	**4,098**	(97)
Properties available for sale	**(4,168)**	8,301
Trade payables	**35,277**	(55,406)
Unearned revenue	**(868)**	7,276
Accruals and other liabilities	**(79,438)**	(10,134)
	67,304	676,650
Employees' defined benefit obligations paid	**(4,628)**	(675)
Zakat paid	**(35,998)**	(81,351)
Net Cash flows generated from operating activities	**26,678**	594,624
Investing activities:		
Proceeds from disposal of property and equipment	**158**	–
Dividends received from associates	**4,850**	–
(Paid) / Proceeds from short-term deposits	**(150,000)**	300,000
Payments of investment in associates	**(8,081)**	(43,938)
Payments for the purchase of property, equipment, investments properties and intangible assets	**(254,929)**	(174,901)
Net Cash flows (used in) / generated from investing activities	**(408,002)**	81,161
Financing activities:		
Proceeds from term loan	**189,168**	–
Payments of lease liabilities	**(2,125)**	(1,576)
Repayment of the Ministry of Finance loan and short-term loan	**(84,954)**	(178,419)
Dividends paid by subsidiaries to non-controlling interests	**-**	(28,000)
Financial charges paid	**(97,234)**	(185,240)
Net cash flows generated from / (used in) financing activities	**4,855**	(393,235)
Change in cash and cash equivalents	**(376,469)**	282,550
Cash and cash equivalents at the beginning of the period	**1,552,604**	1,076,758
Cash and cash equivalents at the end of the period	**1,176,135**	1,359,308

Acting Chief Financial Officer	Chief Executive Officer	Chairman
Abdulaziz Al Mogbil	Abdullah Abudawood	Naif Alhamdan

The accompanying notes from (1) to (18) form an integral part of these interim condensed consolidated financial statements.

(In Saudi Riyals Thousands, unless otherwise indicated)

1. CORPORATE INFORMATION

Saudi Real Estate Company (the "Company" or the "Parent Company") is a Saudi Joint Stock Company, whose shares are publicly traded on the Saudi Stock Exchange. The Company was established pursuant to Royal Decree number M/58 dated 17 Rajab 1396H (corresponding to 15 July 1976), registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010012539 dated 17 Jumada al-Akhir 1397H (corresponding to 4 June 1977). The Company's head office address is Olaya Road, P.O. Box 3572, Riyadh 11481, Kingdom of Saudi Arabia.

The Company is licensed to engage in the activities of buying and selling land and real estate, subdividing them, conducting off-plan sales, as well as managing and leasing residential and non-residential properties, whether owned or rented.

The major shareholder of the Parent Company is the Public Investments Fund (PIF) which owns 64.58% of the Company's shares, while the remaining shares, which represent 35.42%, are owned by several shareholders with less than 5% ownership.

The Company follows the Gregorian calendar as its fiscal year so that the fiscal year begins on January 1 and ends on December 31 of the same year. These interim condensed consolidated financial statements have been prepared for the six-month period ended 30 June 2026. The interim condensed consolidated financial statements should be read in conjunction with the last annual consolidated financial statements of the Group, the fiscal year ending on 31 December 2025.

The Company invested in the following subsidiaries included in these consolidated financial statements

Name	Country of incorporation	Principal activities	Year of incorporation	Ownership percentage (direct or indirect) 2026	2025
Saudi Real Estate Construction Company (A)	KSA	Construction activities	2016	**100%**	100%
Saudi Real Estate Infrastructure Company (B)	KSA	Infrastructure activities	2017	**60%**	60%
Saudi Korean Company for Maintenance and Properties Management (C)	KSA	Maintenance, operation and facilities management	2017	**60%**	60%
Al Widyan Saudi Real Estate Company (D)	KSA	Development of Al Widyan Project; no activities were carried out during the period	2018	**100%**	100%
Alinma Alakaria Real Estate Fund (E)	KSA	Under liquidation	2019	**100%**	100%
Hodood Real Estate Investment Company (F)	KSA	Asset-holding company; no activities were carried out during the period	2022	**100%**	100%
Creativity Hub Company for Co-Working Spaces (G)	KSA	Leasing of co-working spaces	2025	**100%**	**100%**

(A) Saudi Real Estate Construction Company is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010466367 dated 15 Rabi Al Awal 1438H (corresponding to 14 December 2016). The Company is engaged in the construction and maintenance of buildings, construction project management, preparation of detailed engineering designs, procurement of materials, and execution of the projects it manages.

1. CORPORATE INFORMATION (CONTINUED)

(B) Saudi Real Estate Infrastructure Company is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010469561 dated 6 Rajab 1438H (corresponding to 3 April 2017). The Company is engaged in road, street, bridge and tunnel works; earthworks; construction and extension of water, sewerage and stormwater drainage networks, including their cleaning and maintenance; construction and extension of electricity and gas distribution networks and stations, including their maintenance; construction and extension of telecommunications networks and telecommunications towers; construction of public parks, recreational areas and irrigation networks, including their maintenance; construction and maintenance of dams; and sale of ready-mix concrete.

(C) Saudi Korean Company for Maintenance and Properties Management is a mixed limited liability company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010612687 dated 11 Safar 1439H (corresponding to 31 October 2017). The Company is engaged in the operation and maintenance of buildings pursuant to the license issued by the General Investment Authority No. 10214381076997 dated 29 Shawwal 1438H (corresponding to 23 July 2017).

(D) Al Widyan Saudi Real Estate Company is a single-shareholder simplified joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010455071 dated 16 Dhul-Qi'dah 1439H (corresponding to 29 July 2018). The Company is licensed to engage in general construction activities for residential and non-residential buildings, renovation of residential and non-residential buildings, purchase and sale of land and real estate and their subdivision, off-plan sales activities, and management and leasing of owned or leased residential and non-residential properties. The Company did not carry out any business activities during the current financial year.

(E) Alinma Alakaria Real Estate Fund is a private fund established pursuant to an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank, and the investors (the "Unitholders") in the Fund, in accordance with the Shariah standards and guidelines approved by the Shariah Board of the Fund Manager. The principal investment objective of the Fund is to provide investors with capital growth over the medium and long term by investing primarily in real estate and related sectors in the Kingdom of Saudi Arabia. The Fund appointed Alinma Bank to act as the custodian, administrator and registrar of the Fund. The Fund was established during the financial year 2019 pursuant to the approval of the Capital Market Authority ("CMA"). During the financial year ended 31 December 2020, Saudi Real Estate Company signed an agreement to close and liquidate the Fund. During the financial year ended 31 December 2022, all material assets of the Fund were transferred to Hodood Real Estate Investment Company, which is wholly owned by the Parent Company. The Group is currently in the process of completing all regulatory procedures required for the final liquidation of the Fund.

(F) Hodood Real Estate Investment Company is a single-shareholder limited liability company wholly owned by the Parent Company, with a capital of SR 10,000. It was established in October 2022 under Commercial Registration No. 1010836057, issued in Riyadh on 24 October 2022 (corresponding to 28 Rabi' Al-Awwal 1444H). The Company was established for the purpose of transferring the title deeds of the land from Alinma Alakaria Real Estate Fund to Hodood Real Estate Investment Company, which is wholly owned by the Parent Company.

(G) Creativity Hub Company for Co-Working Spaces is a single-shareholder limited liability company wholly owned by the Parent Company, with a share capital of SR 10,000. The Company's Unified National Number is 7050841902, and it was registered in the Commercial Register on 22 July 2025 (corresponding to 27 Muharram 1447H). The Company is registered to engage in business incubator and accelerator activities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia ("KSA") and other pronouncements that are issued by SOCPA.

2. BASIS OF PREPARATION (CONTINUED)

2.1 Statement of compliance (continued)

The interim condensed consolidated financial statements should be read in conjunction with the last annual consolidated financial statements of the Group, for the year ended on 31 December 2025. The interim condensed consolidated financial statements do not include all the information and disclosures required to prepare annual consolidated financial statements in accordance with International Financial Reporting Standards but selected explanatory notes have been included to indicate material events and transactions to understand the changes in the financial position and financial performance of the Group since 31 December 2025. The interim period is an integral part of the full fiscal year however, the results of the interim period operations may not be a fair indication of the results of the full year operations.

2.2. Basis of measurement

The interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, going concern concept under the historical cost basis, except for investment in equity instruments designated at FVOCI, in addition to Employee defined benefit obligations measured using the Projected Unit Credit Method.

2.3. Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyals which is also the functional currency of the Group. All values are rounded to the nearest thousand, unless otherwise indicated.

2.4. Use of estimates and judgments

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates made by management when applying the Group's accounting policies and significant sources of estimation uncertainty are not materially different from those disclosed in the most recent annual consolidated financial statements.

2.5. Basis of consolidation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 30 June 2026, as stated in note (1). Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to risk, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- 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 with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation of interim condensed consolidated financial statements (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the three elements of control. Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, revenue and expenses of subsidiaries acquired or disposed during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the investee.

Profit or loss and each component of Other Comprehensive Income (OCI) 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, liabilities, equity, revenue, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation of the interim condensed consolidated financial statements.

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 the interim condensed statement of income. Any investment retained is recognised at fair value.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

Certain standards and amendments to standards became effective on 1 January 2026 and were disclosed in the annual consolidated financial statements for the year ended 31 December 2025. These standards and amendments had no material effect on the Group's interim condensed consolidated financial statements. These amendments and interpretations did not require any changes to the accounting policies or retrospective adjustments as a result of their application to the interim condensed consolidated financial statements for the six-month period ended 30 June 2026.

IFRS 18 "Presentation and Disclosure in Financial Statements"

SOCPA has approved IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements" and is effective for reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Group has not early adopted the Standard in preparing these interim condensed consolidated financial statements.

During 2026, the Group commenced its preparations for the implementation of the Standard, which include studying its requirements, reviewing the current accounting policies and disclosures, and comparing the requirements of the Standard with the Group's current practices to identify differences and implementation requirements. In addition, the Group is assessing whether any changes are required to the internal processes or systems used in preparing financial reports.

4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

The current assessment comprises, for example, but not limited to, the following:

- Assessing the impact of the new presentation and disclosure requirements on the financial statements, particularly the statement of profit or loss and the accompanying notes.
- Reviewing the new disclosure requirements in the Standard and assessing the need to update the Group's current disclosures.
- Assessing the disclosure requirements related to management-defined performance measures.
- Reviewing the aggregation and disaggregation requirements and any consequential amendments to the presentation of certain existing items and disclosures.
- Assessing the impact of applying the Standard on related requirements in other IFRS Accounting Standards, including the presentation and disclosure requirements associated with the statement of cash flows.
- Assessing the first-time application requirements, including the requirements for presenting comparative information in accordance with the provisions of the Standard.

Up to the date of approval of these interim condensed consolidated financial statements, the assessment process remains ongoing, and the Group has not yet completed all the procedures necessary to assess the potential impact of applying the Standard on the consolidated financial statements.

Accordingly, this disclosure represents the Group's preliminary assessment up to the date of approval of these interim condensed consolidated financial statements. The assessment will continue to be updated during subsequent financial periods in line with the progress of preparations for the implementation of the Standard. This disclosure will be updated, as appropriate, upon completion of the assessment process and in accordance with the requirements of IFRS Accounting Standards.

(In Saudi Riyals Thousands, unless otherwise indicated)

5. INVESTMENT PROPERTIES

Investment properties are stated at cost less accumulated depreciation and any impairment. At the end of each financial year, the fair value of investments properties is determined through valuation performed by independent valuers accredited by the Saudi Authority for Accredited Valuers ("TAQEEM"). All of the Group's assets are located in the Kingdom of Saudi Arabia. The following is a summary of movements in investment properties during the period / year:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net book value at the beginning of the period / year	**5,696,155**	5,538,691
Additions during the period / year	**251,774**	299,394
Assets transferred to an associate during the period / year	**-**	(17,467)
Transferred to properties available for sale during the period / year	**-**	(44,893)
Depreciation expense during the period / year	**(26,309)**	(79,570)
Net book value at the end of the period / year	**5,921,620**	5,696,155

Investment properties include certain buildings constructed on land leased from the Royal Commission for Riyadh City under lease contracts ranging from 28 to 99 years. They also include assets with a carrying amount of SR 3.4 billion, which are pledged to the Ministry of Finance and two local banks as collateral for loans and credit facilities granted to the Group.

5.A. Lands not available for use

Certain land parcels owned by the Group are still not available for use or development for various reasons, some of which relate to the areas in which these lands are located, while others are still under review by the relevant authorities and specialised committees. Management continues to work with the relevant government authorities to address these matters in order to enable the disposal or development of these lands. The Al-Aredh land in Riyadh is no longer included among the lands not available for use, based on the title deed issued by the Real Estate Registry. The impact of the continued restrictions related to the remaining lands on their recoverable amount remains uncertain and depends on the final outcome of the work of the relevant authorities and specialised committees. Based on the information available up to the date of approval of these interim condensed consolidated financial statements, management does not expect the Group to incur any losses related to this matter. The carrying amount of these lands not available for disposal or development amounted to SR 339 million as of 30 June 2026 (31 December 2025: SR 438 million).

5.B. Al Widyan project

During 2021, management was informed by the relevant government authorities that the Group's lands allocated to the Al Widyan project are located within an area under study for development by those government authorities, which may result in a significant change to the project's master plan and the recoverable amount of the land. The impact of this matter remains uncertain and depends on the completion of the study by the government authorities and future developments in the area. In any case, management does not expect the Group to incur any losses related to this matter. The carrying amount of the land and capital work in progress as of 30 June 2026 amounted to SR 2.9 billion (31 December 2025: SR 2.9 billion).

(In Saudi Riyals Thousands, unless otherwise indicated)

6. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

The Group's investments in the associates and a joint venture as of 30 June 2026, are as follow:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Riyadh Holding Company	**-**	297,306
Al-Tilal Company for Educational Facilities Development	**61,803**	61,405
InfraRoad Contracting Company Ltd.	**89,166**	60,416
	150,969	419,127

The following is a summary of movement in investments in the associates and a joint venture during the period ended 30 June 2026:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	**419,127**	312,273
Cash investments during the period / year	**8,081**	43,938
Transferred from investments properties during the period / year	**-**	17,467
Share of profits for the period / year	**27,018**	60,170
Share of other comprehensive income / (other comprehensive loss)	**2,537**	(4,722)
Dividends received during the period / year	**(4,850)**	(9,999)
Investments disposed of during the period / year	**(300,944)**	-
	150,969	419,127

During the financial period ended 30 June 2026, management assessed whether the Group continued to have significant influence over its investment in Riyadh Holding Company, in light of the increase in the share capital of Riyadh Holding Company and the introduction of a new shareholder wholly owned by the principal shareholder, which resulted in a decrease in the Group's ownership interest from 16.67% to 13.09% and an increase in the principal shareholder's ownership interest. Based on management's assessment of all relevant available facts and circumstances, management concluded that the Group no longer had significant influence over Riyadh Holding Company as of the date of the change.
Accordingly, and in accordance with the requirements of IAS 28 "Investments in Associates and Joint Ventures", the Group discontinued the application of the equity method. The remaining investment was remeasured at fair value as of the date significant influence was lost, resulting in the recognition of a remeasurement gain of SR 640 million in the consolidated statement of profit or loss for the period. The gain is non-cash and non-recurring and represents the difference between the fair value of the remaining investment and its carrying amount as of the date significant influence was lost.
From the date significant influence was lost, the remaining investment was classified as an investment in equity instruments at fair value through other comprehensive income in accordance with the requirements of IFRS 9 "Financial Instruments".

(In Saudi Riyals Thousands, unless otherwise indicated)

7. INVESTMENT IN EQUITY INSTRUMENTS DESIGNATED AT FVOCI

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**313,524**	415,322
Additions during the period / year	**941,348**	–
Net change in fair value	**10,762**	31,324
Disposals during the year	**–**	(133,122)
At the end of the period / year	**1,265,634**	313,524

The investment in Um Al Qura Company for Development and Reconstruction was classified as current assets, in light of the management’s intention to exit this investment within the twelve months following the date of the consolidated statement of financial position, which is in line with the partial sales carried out during 2025, and in accordance with the investment management strategy adopted by the Group. The following is a classification of investment in equity instruments designated at FVOCI in the consolidated statement of financial position:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets	**80,839**	77,201
Non-current assets	**1,184,795**	236,323
	1,265,634	313,524

8. PROPERTIES AVAILABLE FOR SALE

Below is a breakdown of the developed properties and ready-to-sale for customers:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost of ready-to-sale units	**17,942**	17,942
Cost of land available for sale	**–**	572
Cost of land and capital works in-progress related to developed properties	**616,534**	611,794
	634,476	630,308

Properties available for sale are stated at the lower of cost or net realizable value. They are classified as current assets if completed or expected to be completed within 12 months, otherwise, they are classified as non-current assets. The table below shows the classification of the properties between current assets and non-current assets:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets	**205,048**	243,603
Non-current assets	**429,428**	386,705
	634,476	630,308

(In Saudi Riyals Thousands, unless otherwise indicated)

9. SHARE CAPITAL

As of 30 June 2026, and 31 December 2025, the Company's share capital amounted to SR 3,750 million and was divided into 375 million ordinary shares of SR 10 each.

10. STATUTORY RESERVE

The statutory reserve included in the interim condensed consolidated financial statements was required in accordance with the previous Companies' Law and the previous Articles of Association of the Company. As a result of amendments to the Companies' Law and the Company's Articles of Association, the requirement to set aside a statutory reserve was cancelled.

11. TERM LOAN

During the financial year 2015, the Group obtained a term loan from a local bank. In June 2022, the Group entered into an agreement to reschedule this loan, whereby the loan principal amounting to SR 2.068 billion is to be repaid in equal semi-annual instalments over eight years, following a four-year grace period from the date of the rescheduling agreement. Repayment of the instalments will commence in December 2026, with the final instalment due in June 2034. The loan is subject to a variable commission rate based on SAIBOR plus an agreed margin and complies with the Shariah principles approved by the lending bank. The Group has provided guarantees for this loan comprising promissory notes and mortgages over certain of its real estate properties. During the financial year 2020, the Group entered into a bank facilities agreement with a local bank amounting to SR 100 million. In the financial year 2023, the facilities agreement was amended and the limit was increased to SR 200 million in accordance with the terms and conditions agreed with the bank. These facilities are subject to a variable commission rate based on SAIBOR plus an agreed margin and comply with the Shariah principles approved by the bank. The Group has provided promissory notes as guarantees for these facilities. During the financial year 2025, the Group entered into a bank facilities agreement with another local bank with a total value of SR 700 million to finance certain of the Group's projects. These facilities are subject to a variable commission rate based on SAIBOR plus an agreed margin and comply with the Shariah principles approved by the bank. The Group has provided guarantees for these facilities comprising promissory notes and mortgages over certain of its real estate properties. Management believes that the Group has sufficient financial capacity and solvency to meet its obligations and repay the loans and bank facilities in accordance with the agreed terms and repayment dates. The term loan balance has been classified as current and non-current liabilities in accordance with the repayment schedules agreed with the lending banks, as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities	**263,668**	129,279
Non-current liabilities	**1,993,962**	1,939,183
	2,257,630	2,068,462

12. LOAN FROM MINISTRY OF FINANCE

The following is a summary of the movement during the period / year:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**758,051**	914,889
Paid during the period / year	**(84,954)**	(156,838)
At the end of the period / year	**673,097**	758,051

(In Saudi Riyals Thousands, unless otherwise indicated)

12. LOAN FROM MINISTRY OF FINANCE (CONTINUED)

The balance of the loan from the Ministry of Finance has been classified under current and non-current liabilities according to the instalment payment dates as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities	**176,443**	169,908
Non-current liabilities	**496,654**	588,143
	673,097	758,051

13. ZAKAT

The movement in provision for Zakat for the period / year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**48,783**	78,355
Charged for the period / year	**45,696**	61,677
Paid during the period / year	**(35,998)**	(91,249)
At the end of the period / year	**58,481**	48,783

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period. There is no difference between basic and diluted earnings per share, due to the absence of financial instruments that may have a diluting effect on earnings per share.

The following table reflects the profit for the period and the number of shares used in the basic and diluted earnings per share computations:

	For the three-month period ended on 30 June		**For the six-month period ended on 30 June**	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit for the period attributable to shareholders of the Parent Company	**103,289**	94,446	**578,957**	229,619
Weighted average number of ordinary shares	**375,000**	375,000	**375,000**	375,000
Earnings per share for the period				
Basic and diluted earnings per share	**0.28**	0.25	**1.54**	0.61

(In Saudi Riyals Thousands, unless otherwise indicated)

15. SEGMENTAL INFORMATION

For management purposes, the Group's operational segments have been determined based on internal reports that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources and assessing performance. The Group's operations are organized primarily based on the nature of the products and services rendered, and its operational sectors for which reports are prepared are as follows:

A. Rental sector
B. Property sales sector
C. Infrastructure projects sector
D. Construction projects sector
E. Facility management sector

The operating segment performance is evaluated based on gross profit / (loss), which is the indicator used by management to evaluate performance and making decisions regarding resource allocation. Certain general operating expenses, including general and administrative expenses and marketing expenses, as well as finance charges, revenue and other expenses, are recorded and tracked on a lump-sum basis and are not allocated to operating sectors. This is because such allocation does not reliably reflect the actual performance of each segment. Assets and liabilities are not presented at the operating segment level. They are managed and tracked according to the accounting records of the legal entities, including mortgaged real estate related to financing arrangements. Their performance is not reviewed or evaluated on a segment basis by the chief operating decision maker but is considered within the overall financial position of the Group. The material activities of the Group are carried out within the Kingdom of Saudi Arabia, and therefore the Group does not present separate geographical information.

The following is a summary of the financial information for the operating segments, which is consistent with the Group’s consolidated financial statements as of 30 June 2026:

30 June 2026	**Rental**	**Property sales**	**Infrastructure projects**	**Construction projects**	**Facility management**	**Total**
Revenue	**195,848**	**109,322**	**380,751**	**10,038**	**46,821**	**742,780**
Cost of revenue	**(69,189)**	**(59,600)**	**(202,284)**	**(8,973)**	**(39,460)**	**(379,506)**
Gross profit / (loss)	**126,659**	**49,722**	**178,467**	**1,065**	**7,361**	**363,274**

30 June 2025	Rental	Property sales	Infrastructure projects	Construction projects	Facility management	Total
Revenue	180,358	491,845	412,286	–	32,572	1,117,061
Cost of revenue	(59,884)	(241,482)	(227,007)	(16,114)	(24,850)	(569,337)
Gross profit / (loss)	120,474	250,363	185,279	(16,114)	7,722	547,724

16. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

17. SUBSEQUENT EVENTS

The management believes that there are no significant subsequent events after the date of the interim condensed consolidated financial statements on 30 June 2026 that may have a material impact on them.

18. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized for issue on 27 Safar 1448H (corresponding to 10 August 2026) by the Board of Directors.