

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2026
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

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

TO THE SHAREHOLDERS OF RETAL URBAN DEVELOPMENT COMPANY
A LISTED JOINT STOCK COMPANY

(1 / 1)

INTRODUCTION

We have reviewed the accompanying March 31, 2026 condensed consolidated interim financial statements of Retal Urban Development Company (the "Company"), a Saudi Stock Company, and its subsidiaries (collectively referred to as the "Group") which comprises:

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

Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim financial statements based on our review.

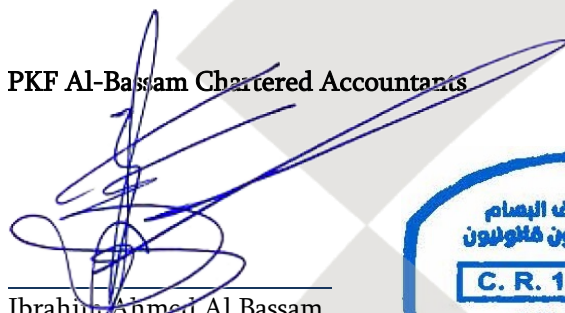
SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 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 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 on Auditing 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

PKF Al-Bassam Chartered Accountants



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar, Kingdom of Saudi Arabia
Dhu al-Qadah 23, 1447H
Corresponding to: May 10, 2026



RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2026

	Note	March 31, 2026 (Unaudited) SR	December 31, 2025 (Audited) SR
ASSETS			
Non-current assets			
Property and equipment	5	230,732,163	233,275,187
Right of use assets		29,033,365	30,333,041
Intangible assets		7,348,633	7,999,075
Investment properties		216,922,059	217,229,618
Investments in associates and joint ventures	1	464,157,343	303,151,194
Accounts receivable	8	8,846,436	4,333,262
Prepayments and other receivables	6	1,640,702	1,845,908
Investments at fair value through other comprehensive income		6,000,000	6,000,000
		<u>964,680,701</u>	<u>804,167,285</u>
Current assets			
Inventories		47,643,256	39,771,441
Accounts receivable	8	708,880,950	552,040,869
Contract assets	12.2	587,880,088	809,449,778
Development properties	7	2,421,324,603	2,413,528,679
Investments at fair value through profit or loss		98,995,901	98,995,901
Prepayments and other receivables	6	409,557,830	333,075,077
Escrow bank balances	9.1	668,961,577	664,454,982
Cash on hand and at banks	9	33,333,759	67,932,711
		<u>4,976,577,964</u>	<u>4,979,249,438</u>
		<u>5,941,258,665</u>	<u>5,783,416,723</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,000,000	500,000,000
Other reserves	1.5	(8,557,852)	(8,763,272)
Retained earnings		596,838,194	537,566,924
Treasury shares	1.4	(14,770,291)	(14,770,291)
Equity attributable to the shareholders of the Group		<u>1,073,510,051</u>	<u>1,014,033,361</u>
Non-controlling interest		25,523,812	20,353,056
Total equity		<u>1,099,033,863</u>	<u>1,034,386,417</u>
Non-current liabilities			
Term loans	11	621,854,000	590,676,217
Lease liabilities		28,183,178	27,965,067
Employees' end of service benefits		34,153,249	32,529,375
Payable to National Housing Company		54,640,168	60,583,838
		<u>738,830,595</u>	<u>711,754,497</u>
Current liabilities			
Term loans	11	600,616,547	487,797,401
Short term loans	11	450,061,530	380,508,702
Lease liabilities		4,813,445	4,713,069
Accounts payable		957,359,435	869,856,117
Accrued expenses and other payables		789,095,961	786,775,538
Payable to National Housing Company		983,744,035	968,014,863
Contract liabilities	12.2	286,071,535	514,402,514
Zakat accrual	15	31,631,719	25,207,605
		<u>4,103,394,207</u>	<u>4,037,275,809</u>
		<u>4,842,224,802</u>	<u>4,749,030,306</u>
TOTAL LIABILITIES		<u>4,842,224,802</u>	<u>4,749,030,306</u>
TOTAL EQUITY AND LIABILITIES		<u>5,941,258,665</u>	<u>5,783,416,723</u>



Ammar Al Ghoul

Chief Financial Officer



Kamal Bin Ahmed Mohamed

Chief Executive Officer



Abdullah Bin Abdul Latif Bin
Ahmed Al Fozan

Chairman Board of Directors

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

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Note	For the three-month period ended March 31,	
		2026	2025
Revenue	12	577,404,280	567,072,371
Cost of revenue		(434,028,343)	(436,977,469)
Gross profit		143,375,937	130,094,902
General and administrative expenses		(29,789,799)	(25,868,359)
Selling and marketing expenses		(10,539,009)	(6,428,502)
Operating profit		103,047,129	97,798,041
Finance costs		(30,422,481)	(28,806,655)
Shares of results from equity accounted investments		(2,693,949)	7,506,184
Gain from investments at fair value through profit or loss (FVTPL)		-	2,625,200
Other income/ (expense), net		926,026	(350,097)
Profit before zakat		70,856,725	78,772,673
Zakat	15	(6,414,699)	(4,958,172)
Net profit for the period		64,442,026	73,814,501
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		64,442,026	73,814,501
Profit for the period attributable to:			
Shareholders of the Group		59,271,270	68,129,664
Non-controlling interest		5,170,756	5,684,837
Profit for the period		64,442,026	73,814,501
Total comprehensive income for the period attributable to:			
Shareholders of the Group		59,271,270	68,129,664
Non-controlling interest		5,170,756	5,684,837
Total comprehensive income for the period		64,442,026	73,814,501
Earnings per share – Basic and diluted			
Basic earnings per share	14	0.12	0.14
Diluted earnings per share	14	0.12	0.14



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Chairman Board of Directors

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RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Share capital	Statutory reserve	Actuarial reserve	Other reserves		Total other reserves	Retained earnings	Treasury shares	Equity attributable to shareholders	Non-controlling interests	Total
				Reserve for change in ownership interests in subsidiary (note 1.1-a)	Share based payment reserve						
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
January 1, 2025 (Audited)	500,000,000	83,013,877	(8,328,818)	8,162,992	-	(165,826)	263,084,518	(11,959,198)	833,973,371	8,510,463	842,483,834
Net profit for the period	-	-	-	-	-	-	68,129,664	-	68,129,664	5,684,837	73,814,501
Transaction with owners in their capacity as owners:											
Dividends (note 18)	-	-	-	-	-	(55,000,000)	-	(55,000,000)	(9,000,000)	(9,000,000)	(64,000,000)
March 31, 2025 (Unaudited)	500,000,000	83,013,877	(8,328,818)	8,162,992	-	(165,826)	276,214,182	(11,959,198)	847,103,035	5,195,300	852,298,335
January 1, 2026 (Audited)	500,000,000	-	(9,247,150)	-	483,878	(8,763,272)	537,566,924	(14,770,291)	1,014,033,361	20,353,056	1,034,386,417
Net profit for the period	-	-	-	-	-	-	59,271,270	-	59,271,270	5,170,756	64,442,026
Share based payment transaction	-	-	-	-	205,420	205,420	-	-	205,420	-	205,420
March 31, 2026 (Unaudited)	500,000,000	-	(9,247,150)	-	689,298	(8,557,852)	596,838,194	(14,770,291)	1,073,510,051	25,523,812	1,099,033,863



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Chairman Board of Directors

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RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

	Note	For the three-month period ended	
		March 31,	
		2026	2025
		SR	SR
OPERATING ACTIVITIES			
Profit before zakat:		70,856,725	78,772,673
<i>Adjustments for non-cash items:</i>			
Depreciation and amortization		9,101,405	7,095,716
Provision for employees' end of service benefits		2,397,525	1,852,803
Gain on disposal of property and equipment		(16,916)	-
Share of results from equity accounted investments		2,693,949	(7,506,184)
Gain on investments at fair value through profit or loss, net		-	(2,625,200)
Employe share scheme - value of employee service expense		205,420	-
Finance costs, net		30,422,481	28,806,655
		115,660,589	106,396,463
<i>Changes in working capital :</i>			
Development properties		(7,795,924)	(84,966,630)
Inventories		(7,871,815)	(12,434,821)
Contract assets		223,576,585	(5,820,362)
Accounts receivable		(157,403,446)	61,861,996
Prepayments and other receivables		(76,268,132)	(134,806,783)
Accounts payable		85,196,974	60,166,516
Payable to National Housing Company		5,030,569	142,043,581
Accrued expenses and other payables		2,921,701	105,357,207
Escrow bank balances		(4,506,595)	(285,985,362)
Contract liabilities		(228,330,979)	281,870,715
Cash (used in) / generated from operations		(49,790,473)	233,682,520
End of service benefits paid		(773,651)	(123,269)
Finance costs paid		(20,533,653)	(24,554,072)
Net cash flows (used in) / generated from operating activities		(71,097,777)	209,005,179
INVESTING ACTIVITIES			
Additions to property and equipment		(4,344,982)	(4,959,126)
Proceeds from disposal of property and equipment		61,194	-
Dividends received from associates		4,741,920	107,207,441
Additions to investments at fair value through profit or loss		-	(9,630,615)
Advance against investment in a real estate fund		-	(75,000,000)
Additions to investment in associates and joint ventures		(175,000,000)	-
Proceeds from sale of investments at fair value through profit or loss		-	14,560,247
Net cash (used in) / generated from investing activities		(174,541,868)	32,177,947
FINANCING ACTIVITIES			
Proceeds from borrowings		343,500,000	225,900,669
Repayment of borrowings		(132,302,626)	(351,833,134)
Lease payments		(156,681)	(972,710)
Dividends paid to non-controlling interest		-	(9,000,000)
Net cash flows generated from / (used in) financing activities		211,040,693	(135,905,175)
Net change in cash and cash equivalents		(34,598,952)	105,277,951
Cash and cash equivalents at the beginning of the period		67,932,711	34,112,475
Cash and cash equivalents at the end of the period		33,333,759	139,390,426

SIGNIFICANT NON-CASH TRANSACTIONS

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Chief Executive Officer

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Ahmed Al Fozan

Chairman Board of Directors

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

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****1. GENERAL INFORMATION**

Retal Urban Development Company ("the Company") or ("the Holding Company") is a Saudi Joint Stock Company (previously a limited liability company) registered in the Kingdom of Saudi Arabia under commercial registration No. 2051047761 issued in Khobar on Rabi'I 12, 1433H corresponding to February 4, 2012. The registered address of the Company is P.O. Box 1448 Prince Faisal Bin Fahad Bin Abdul Aziz, Al Khobar, 31952, Kingdom of Saudi Arabia.

The Holding Company is principally engaged in:

- Purchase and sale of land and real estate, divide them, and sale off map activities;
- General construction of residential buildings;
- General construction of non-residential building, including schools, hospitals and hotels.

The Holding Company's By-laws includes the activity of acquisition of shares, shares in existing companies or merger with them.

The condensed consolidated interim financial statements include the assets, liabilities, and the results of the Group and the following branches based on locations:

Location	Date	Registration certificate
Riyadh	Dhu al-Qa'dah 21, 1441 (July 12, 2020)	1010642508
Al Khobar	Dhu'l Hijjah 18, 1442 (July 28, 2021)	2051236513
Jeddah	Dhu al-Qa'dah 15, 1443 (June 14, 2022)	4030475640

1.1 Details of Holding Company's subsidiaries:

The condensed consolidated interim financial statements as at March 31, 2026 include the financial information of the Holding Company and the following subsidiaries (collectively referred to as "the Group"):

Name of subsidiaries	Commercial Registration dated	Business activity	Effective ownership	
			March 31, 2026	December 31, 2025
Building Construction Company Limited (note 1.1-a)	Jumada II 15, 1420H (September 25, 1999)	General contracting and construction work.	80%	80%
Nesaj Urban Development Company	Ramadan 17, 1433H (August 5, 2012)	Buying, selling, managing and maintaining real estate facilities.	100%	100%
Tadbeir Limited Company	Muharram 11, 1436H (November 4, 2014)	Cleaning, maintaining and operating real estate facilities.	100%	100%
Adara Real Estate Company	Shawwal 10, 1442H (May 22, 2021)	Buying, selling, renting, managing and maintaining real estate facilities.	100%	100%
Tadbeir Environment Company	Dhul-Qa'dah 2, 1443H (June 1, 2022)	Administration and support services	100%	100%
Nesaj Al Inchaya Company for Project Management	Rabi' Sani 17, 1446H (October 20, 2024)	Management of construction projects	30%	30%
Zawaya Retal Company	Safar 16, 1447H (August 10, 2025)	Wholesale and retail and administration and support services	100%	100%
Build Move Logistics Company	Jumada II 19, 1447H (December 10, 2025)	Logistics services	80%	80%

All of the Holding Company's subsidiaries are limited liability companies incorporated in the Kingdom of Saudi Arabia except for Building Construction Company Limited, that was converted from a limited liability company to a closed joint stock company on 03 Dhul-Qidah 1446H, corresponding to May 1, 2025.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****1. GENERAL INFORMATION (Continued)****1.1 Details of Holding Company's subsidiaries (Continued):**

1.1-a. During the year 2023, the Group disposed of 20% of its shareholding in one of its subsidiaries, "Building Construction Company Limited", effective from July 1, 2023, while still retaining the control. Shareholding have been disposed as 10% to one of the executive management of the subsidiary and 10% to one of Board of Directors of the Holding Company. Consideration received against this disposal amounted to SR 19.94 million which resulted in a realized gain amounting to SR 8.16 million which has been classified as "Reserve for change in ownership interest in a subsidiary" under equity. Legal formalities for the sale were completed during the year 2023. During the year ended December 31, 2025, the shareholders approved the transfer of the reserve for change in ownership interest in a subsidiary amounting to SR 8.16 million to retained earnings.

1.2 Details of Company's associates and joint ventures:

Name of the entity	Commercial Registration dated	Business activity	Effective ownership	
			March 31, 2026	December 31, 2025
Associates				
Saudi Tharwa Company	Jumada' II 21, 1435H (April 21, 2014)	Buying, selling, renting and managing real estate facilities.	39.50%	39.50%
Mimar Emirate and ARAC Engineering Consultancy Company	Ramadan 11, 1440H (May 16, 2019)	Engineering and architectural consultancy	25.00%	25.00%
Marasi Real Estate Development Company (note 1.3)	Ramadan 3, 1442H (April 15, 2021)	Buying, selling and developing residential properties.	15.00%	30.00%
Al-Ahsa Real Estate Fund	Dhul Hijja 17, 1442H (July 27, 2021)	Buying, selling and developing residential and commercial properties.	22.93%	22.51%
Remal Park Fund	Jumada' II 17, 1444H (January 10, 2023)	Real estate activities	33.50%	33.33%
SAB Invest Mixed - Used Real Estate Fund	Jumada' II 17, 1447H (January 06, 2026)	Mixed used real estate fund	24.52%	-
Joint ventures				
Remal Al Khobar Real Estate Company	Dhul Hijja 23, 1442H (August 2, 2021)	General construction of residential and non-residential buildings	50.00%	50.00%
Noorkom Design Company	Dhu al-Qa'dah 10, 1443H (June 9, 2022)	Interior designing systems	50.00%	50.00%
Masal Real Estate Development Company	Rabi' Al-Awwal 15, 1446H (September 18, 2024)	Real estate activities	50.00%	50.00%
Specialized Construction Company Limited (Joint venture of Building Construction Company)	20 Jumada' II 1446H (October 23, 2024)	Electrical and communication installations and building renovations and maintenance	40.00%	40.00%
Retal for Lands and Real Estate Management and Development Company	16 Rajab 1446H (January 16, 2025)	General construction of residential and non-residential buildings	50.00%	50.00%

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

1. GENERAL INFORMATION (Continued)

1.3. Investment in associates and joint ventures

On 30 March 2026, the Group entered into a Share Transfer Agreement with the Fund Manager and Custodian of Marasi Real Estate Fund to liquidate the Fund through an in-kind distribution of its underlying real estate assets to unit holders. Upon completion, the Group's units in the Fund will be cancelled in exchange for a direct 15% shareholding in Al Wajha Al Mutahida Real Estate Company. As of March 31, 2026, the fund liquidation is expected within twelve months from the reporting date, the investment has been reclassified from non-current to current assets. Further, the Group invested in a new mixed used real estate fund of SR 150 million.

1.4. Treasury shares and employee long term incentive program

The Board of Directors recommended purchasing maximum 2,000,000 shares as treasury shares for the employees long-term incentive program. On Dhu al-Hijjah 21, 1445H corresponding to June 27, 2024, the shareholders approved a resolution at the extraordinary general assembly meeting based on the board recommendation, this purchase will be financed from the Group's own resources and must be completed within 12 months from the date of approval. The Group is permitted to hold the purchased shares for up to 3 years from the date of approval and once the 3-year period lapses, the Company will follow the procedures and controls stipulated in the relevant laws and regulations. As of March 31, 2026, the total number of treasury shares purchased 961,583 shares at a market value of SR 14.77 million and the shares par value is SR 0.96 million. Further, during the prior year ended December 31, 2025, management communicated the employee share scheme to the employees, with the grant date determined as June 2, 2025.

The Group has offered certain employees (the "Eligible Employees") the Option for equity ownership opportunities to attract and retain Eligible Employees and reward them for their role in achieving the Group's long-term goals. The program focuses on both current and future performance and enables participants to contribute towards the Group's success.

The program is entirely based on in-kind settlement where the Eligible Employees will receive the Group's shares upon completing the vesting period and achieving the performance measures set under the plan. The eligibility criteria include a minimum number of years of service in the Group and maintaining an excellent performance rating in addition to certain other factors. The vesting of the Option is dependent on meeting performance targets set by the Group along with the required period of stay in service by the Eligible Employees.

Under the terms of the plan, the options will vest in tranches of 20%, 30%, and 50% over three years, from June 2, 2026, through June 2, 2028. Only employees that remain in service until the vesting dates of their respective options will become entitled to exercise the Options.

The expense related to the program for the period ended March 31, 2026 amounting to SR 0.21 million (2025: SR Nil) was charged to the employees benefit expenses with a corresponding increase in the consolidated interim statement of changes in equity.

1.5. Other reserves

Other reserves include actuarial reserve, reserve for change in ownership interests in a subsidiary and share based payment reserve as disclosed in the consolidated interim statement of changes in equity. During the year ended December 31, 2025, the reserve for change in ownership interests in a subsidiary was transferred to retained earnings.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements for the three-month period ended March 31, 2026 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025. In addition, results for the three-month period ended March 31, 2026 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2026.

Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention, except, where IFRS requires other measurement basis.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is the Group's functional currency, and all values are rounded to the nearest Saudi Riyal, except where otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2025, and the notes attached thereto.

3.1 New standards, amendments to standards and interpretationsAmendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's condensed consolidated interim financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment and management response
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	<p>These amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG) - linked features. The amendment also introduce new and updated disclosure requirements in IFRS 7.</p> <p>Management assessment The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the Group's financial instruments and settlement arrangements were not significantly affected.</p>
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026	<p>These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.</p> <p>Management assessment The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the nature of the Group's operations and contractual arrangements did not result in any significant exposure to such contracts.</p>

3.2 The Group has not applied the following amendment to IFRSs that have been issued but are not yet effective:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment and management assessment
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	<p>IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.</p> <p>Management assessment Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Group's financial position, financial performance or cash flows.</p>

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.1 New standards, amendments to standards and interpretations (Continued)

3.2 The Group has not applied the following amendment to IFRSs that have been issued but are not yet effective (Continued)

IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.
			<p>Management assessment</p> <p>Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Group's assets, liabilities, income or expenses.</p>

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions 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 judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual consolidated financial statements as of and for the year ended December 31, 2025.

5. PROPERTY AND EQUIPMENT

During the period ended March 31, 2026, the additions to property and equipment amounted to SR 4.34 million (period ended March 31, 2025: SR 4.96 million).

6. PREPAYMENTS AND OTHER RECEIVABLES

Prepayment and other receivables include advances to suppliers, employee receivables and other receivables, including paid on behalf for affiliates and funds.

7. DEVELOPMENT PROPERTIES

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Land and development cost (note 7.1)	2,421,324,603	2,413,528,679

7.1 As of March 31, 2026, the Group has lands purchased in installments according to sale and purchase agreements, the value of these lands amounted to SR 1,137 million (December 31, 2025: SR 1,169.89 million) and the ownership of these lands will be transferred to the Group upon completion of development work and related installment payments. The Group has obtained authorization from sellers to initiate sales and development for these lands.

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8. ACCOUNTS RECEIVABLE

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Accounts receivable - third parties	625,052,451	530,486,657
Accounts receivable and retention - related parties (note 13)	81,006,226	15,018,322
Accounts receivable – retention	12,062,428	11,262,871
	718,121,105	556,767,850
Less: non current retention receivable	(8,846,436)	(4,333,262)
Less: allowance for expected credit losses	(393,719)	(393,719)
	708,880,950	552,040,869

Movement in allowance for expected credit losses is as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Opening balance	393,719	1,291,053
Utilization of provision	-	(897,334)
Closing balance	393,719	393,719

Aging analysis of accounts receivable - third parties is as follows:

	Not Yet Due	1-180 Days	181-365 Days	366-730 Days	Total
	SR	SR	SR	SR	SR
March 31, 2026 (Unaudited)					
Accounts receivable – Gross	267,018,753	317,577,642	30,473,988	9,982,068	625,052,451
Less: ECL allowance	-	-	-	(393,719)	(393,719)
Net accounts receivables	267,018,753	317,577,642	30,473,988	9,588,349	624,658,732
Average loss rates (%)	-	-	-	(3.94%)	(0.06%)
December 31, 2025 (Audited)					
Accounts receivable – Gross	-	442,737,115	59,400,260	28,349,282	530,486,657
Less: ECL allowance	-	-	-	(393,719)	(393,719)
Net accounts receivables	-	442,737,115	59,400,260	27,955,563	530,092,938
Average loss rates (%)	-	-	-	(1.39%)	(0.07%)

Most of the accounts receivable are guaranteed by the transfer of title deed of the related residential units.

9. CASH ON HAND AND AT BANKS

At reporting date, cash and cash equivalents for the purpose of consolidated interim statement of cash flow are presented as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Cash on hand	2,603,078	1,334,339
Cash at banks	30,730,681	66,598,372
	33,333,759	67,932,711

9.1 Escrow bank balances

As at March 31, 2026, cash at banks include bank balances amounting to SR 668.96 million (December 31, 2025: SR 664.45 million) in local banks in restricted escrow accounts. Drawings from these escrow accounts is restricted for developing certain projects which are sold off-plan and the payment of the amount due to National Housing Company for the lands of certain projects.

Cash at banks represent balances with local banks with a sound credit rating. Furthermore, these balances bear no interest. The carrying amount of these assets is approximately equal to their fair value.

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9. CASH ON HAND AND AT BANKS (Continued)

SIGNIFICANT NON-CASH TRANSACTIONS

	For the three-month period ended	
	March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Dividend payable	-	55,000,000
Elimination of common revenue on upstream transaction of associate and joint venture	2,006,895	1,700,984
Realization of unrealized profit on upstream transaction of an associate adjusted against development	-	416,408
Dividend receivable from an associate	-	649,245
Transfer from accounts receivables to investment in associates and joint ventures	2,463,338	-
Transfer from accounts payable to investment in associate	601,278	-

10. SHARE CAPITAL

As of March 31, 2026, authorized, issued and paid up capital comprise of 500 million shares of SR 1 each (December 31, 2025: 500 million shares of SR 1 each).

10.1 Statutory reserve

In accordance with Company's by-laws, the Group was required to transfer at least 10% of its net income each year to a statutory reserve until such reserve equals to 20% of the share capital. As of December 31, 2023, this reserve was not available for distribution to the shareholders. The requirement to maintain statutory reserve is no longer applicable with the introduction of new Regulations for Companies in the KSA effective January 2023.

During the year ended December 31, 2025, the shareholders approved the transfer of the statutory reserve amounting to SR 83 million to retained earnings.

11. LOANS

Classification of loans:

	March	December
	31, 2026	31, 2025
	(Unaudited)	(Audited)
	SR	SR
Short term loans	450,061,530	380,508,702
Long term loans	1,222,470,547	1,078,473,618
	1,672,532,077	1,458,982,320
Less: short term loans	(450,061,530)	(380,508,702)
Less: long term loans - current portion	(600,616,547)	(487,797,401)
Long term loans - non-current portion	621,854,000	590,676,217

The repayment schedule for long term loans is as follows:

	March	December
	31, 2026	31, 2025
	(Unaudited)	(Audited)
	SR	SR
Within one year	600,616,547	487,797,401
Not later than five years	621,854,000	590,676,217
	1,222,470,547	1,078,473,618

The Group has obtained, short and medium-term, shariah compliant loan facilities from commercial banks within Kingdom of Saudi Arabia bearing financial charges at SIBOR plus a fixed margin. During the period ended March 31, 2026, the Group has obtained new loans facilities by an amount of SR 343.5 million.

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12. REVENUE FROM CONTRACTS WITH CUSTOMERS

12.1 Disaggregated revenue information

	For the three-month period ended	
	March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Types of goods and services		
Development contract revenues	568,650,157	556,031,064
Revenue from sales of real estate units / lands	819,680	-
Revenue from property and facility management	6,530,751	8,275,156
Rent contracts revenue	1,403,692	2,766,151
	577,404,280	567,072,371

	For the three-month period ended	
	March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Revenue by timing of revenue recognition		
Revenue recorded over a period of time	576,584,600	567,072,371
Revenue recorded at point in time	819,680	-
	577,404,280	567,072,371

12.2 Contract balances

	March	December
	31, 2026	31, 2025
	(Unaudited)	(Audited)
	SR	SR
Accounts receivable – third parties, net	624,658,732	530,092,938
Accounts receivable - related parties	81,006,226	15,018,322
Contract assets (see note (a) below)	587,880,088	809,449,778
Contract liabilities (see note (b) below)	286,071,535	514,402,514

a) Contract assets:

Contract assets are initially recognized for revenue earned over a period of time from development contracts as receipt of consideration is conditional on successful satisfaction of specific milestones. Upon completion of a milestone and acceptance by the customer, the amounts recognized as contract assets are reclassified to accounts receivable.

b) Contract liabilities:

Contract liabilities include advances from customers towards unsatisfied performance obligations. A contract liability is the obligation to complete the project for a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group completes a project, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the terms of the contract.

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13. RELATED PARTIES TRANSACTIONS AND BALANCES

The Group entered into transactions with related parties based on terms and conditions approved by the management of the Group.

	For the three-month period ended	
	March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
Revenue	43,098,406	15,321,419
Purchases	12,276,211	81,702,688
Dividend from associates	4,741,920	84,106,686
Dividend payable	-	9,000,000
Transfer from accounts receivables to investment in associates and joint venture	2,463,338	-

Due from related parties classified under accounts receivable includes the following:

	March	December
	31, 2026	31, 2025
	(Unaudited)	(Audited)
	SR	SR
Alwijha Almutahida for Real Estate Company (Marasi Real Estate Development Company)	49,167,460	-
Remal Al-Khobar Real Estate Company	12,491,698	-
Wajha Alpha for Investment Company (Ewan Tharwa)	11,091,026	6,849,305
Remal Park Fund	3,713,616	-
Noorkom Design Company	2,409,994	2,416,282
Mimar Emirate and ARAC Engineering Consultancy Company	1,001,186	1,002,378
Retal for Lands and Real Estate Management and Development Company	-	2,790,620
Others	1,131,246	1,959,737
	81,006,226	15,018,322

As of March 31, 2026, and December 31, 2025, the Group believes that due from related parties' balances are receivable upon request. As a result, these balances are classified as current assets. These balances bear no interest and there is no repayment schedule. Management believes that all related parties have strong financial position and sufficient funds to repay the balances upon request. Therefore, no allowance has been recognized against these balances.

Due from related parties classified under prepayments and other receivables and contract assets includes the following:

	March	December
	31, 2026	31, 2025
	(Unaudited)	(Audited)
	SR	SR
Prepayments and other receivables		
Specialized Construction Company Limited	3,105,014	18,762,813
Alwijha Almutahida for Real Estate Company (Marasi Real Estate Development Company)	31,552,000	-
Wajha Alpha for Investment Company (Ewan Tharwa)	1,129,201	2,819,564
Masal Real Estate Development Company	512,079	156,831
Remal Park Fund	-	1,229,763
Others	172,554	-
	36,470,848	22,968,971

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13. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Due to related parties classified under accounts payable and contract liabilities includes the following:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
	SR	SR
Remal Al-Khobar Real Estate Company ("Remal")	-	14,559,067
Madar Building Materials Company	28,159,079	48,620,046
Madar Electrical Materials Company	4,754,336	5,170,843
Madar Hardware Company	850,946	1,640,094
Bawan Metal Industries Company	#VALUE!	16,493,358
United Glass Industries Company	2,754,387	3,414,312
Others	948,489	270,539
	#VALUE!	90,168,259

As of March 31, 2026, and December 31, 2025, the Group believes that due to related parties' balances are based on contractual commitments and will be settled within one year. As a result, these balances have been classified as current liabilities.

i. Compensation of key management personnel of the Group during the period is as follows:

	For the three-month period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Key management executives - <i>i (a)</i>	2,040,842	1,847,485
Board of directors and committees' allowances	668,875	668,875
	2,709,717	2,516,360
<i>i (a) - Keymanagement executives</i>		
Short term employee benefits	1,908,397	1,715,470
Post-employment benefits	132,445	132,015
	2,040,842	1,847,485

14. EARNINGS PER SHARE FOR THE PERIOD (BASIC AND DILUTED)

	For the three-month period ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
	SR	SR
Profit for the period attributable to the shareholders of the Group	59,271,270	68,129,664
	Share	Share
Weighted average number of ordinary shares used in calculating basic earnings per share	499,223,134	499,244,322
Weighted average number of treasury shares	776,866	755,678
Weighted average number of ordinary shares used in calculating diluted earnings per share	500,000,000	500,000,000
	SR / Share	SR / Share
Basic earnings per share	0.12	0.14
Diluted earnings per share	0.12	0.14

15. ZAKAT ACCRUAL

During the period ended March 31, 2026, the Group recognized a zakat accrual of SR 6.4 million during the period, resulting in a zakat accrual of SR 31.6 million.

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The Group operations are organized mainly in following reportable segments:

- Real estate development segment represents properties under development which are acquired, developed and sold. It includes development of affordable, mid-end, luxury / high class residential and commercial units in the Kingdom of Saudi Arabia.
- Investment segment represents Group's strategic investing activities such as investment in associates, investment in land properties for sale and appreciation (developed or undeveloped with or without infrastructure) and Investments in marketable securities listed on Saudi stock exchange ("Tadawul") including short-term investment less than three months classified within cash and cash equivalents.
- Other segment includes revenue from property and facility management and related real estate activities like brokerage and commission fees.

Segment results that are reported to the chief reporting decision maker for the purpose of making decisions about resource allocation and performance assessment include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Performance is measured based on segment revenues and net profit, as included in the internal management reports that are reviewed by the top management at least on quarterly basis.

The financial information as at March 31, 2026 and December 31, 2025 and for the three-month period ended on March 31, 2026 and 2025, summarized by each segment, is as follows:

	Real Estate Development	Investment	Others	Eliminations	Total
	SR	SR	SR	SR	SR
<u>As at March 31, 2026</u>					
<u>(Unaudited)</u>					
Total Assets	5,138,773,064	786,075,303	23,559,043	(7,148,745)	5,941,258,665
Total Liabilities	4,835,486,090	-	13,887,457	(7,148,745)	4,842,224,802
<u>As at December 31, 2025 (Audited)</u>					
Total Assets	5,150,439,983	625,376,376	24,221,999	(16,621,635)	5,783,416,723
Total Liabilities	4,750,145,420	-	15,506,521	(16,621,635)	4,749,030,306
<u>For the period ended March 31, 2026</u>					
<u>(Unaudited)</u>					
Segment revenue	569,469,837	1,403,692	9,465,916	(2,935,165)	577,404,280
Share of results from equity accounted investments	-	(2,693,949)	-	-	(2,693,949)
Depreciation and amortization	(8,555,392)	(272,821)	(273,192)	-	(9,101,405)
General and administrative expenses (without depreciation and amortization)	(24,681,232)	-	(1,043,538)	-	(25,724,770)
Selling and marketing expenses (without depreciation and amortization)	(9,370,650)	-	-	-	(9,370,650)
Finance costs	(30,422,481)	-	-	-	(30,422,481)
Other income, net	814,313	-	111,713	-	926,026
Zakat	(6,375,949)	-	(38,750)	-	(6,414,699)
Net profit	65,290,125	(1,563,078)	714,979	-	64,442,026
<u>For the period ended March 31, 2025</u>					
<u>(Unaudited)</u>					
Segment revenue	556,031,064	2,766,151	11,610,555	(3,335,399)	567,072,371
Share of results from equity accounted investments	-	7,506,184	-	-	7,506,184
Gain on sale of investments at fair value through profit or loss	-	2,625,200	-	-	2,625,200
Depreciation and amortization	(6,579,908)	(275,424)	(240,384)	-	(7,095,716)
General and administrative expenses (without depreciation and amortization)	(19,797,117)	-	(1,618,734)	-	(21,415,851)
Selling and marketing expenses (without depreciation and amortization)	(5,820,813)	-	-	-	(5,820,813)
Finance costs	(28,806,655)	-	-	-	(28,806,655)
Other income, net	(460,959)	-	110,862	-	(350,097)
Zakat	(4,873,191)	-	(84,981)	-	(4,958,172)
Net profit	61,724,013	12,622,111	(531,623)	-	73,814,501

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17. CONTINGENCIES AND COMMITMENTS

Guarantees:

The Group is contingently liable for bank guarantees issued in the normal course of business of the Group amounting SR 811.01 million as at March 31, 2026 (December 31, 2025: SR 724.6 million).

As of March 31, 2026, the Group has outstanding corporate guarantees given on behalf of associates amounting to SR 138.2 million (December 31, 2025: SR 138.2 million).

Commitments

The Group has the following commitments:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	SR	SR
Capital commitments for development contracts	1,549,402,024	1,108,683,724

The Group has agreements to purchase developed lands on installments from third parties. The recognition of the liabilities associated with such lands is subject to the fulfillment of certain contractual obligations. As of March 31, 2026, the amount of such commitments is SR 429.1 million (December 31, 2025: SR 461.6 million).

There are certain ongoing legal cases with the Group in the ordinary course of business and the management has assessed that there is no material impact is expected from the outcome of these legal cases.

18. DIVIDEND DISTRIBUTION

During the three month period ended March 31, 2025, the Board of Directors in their meeting held on Ramadan 1, 1446H corresponding to March 1, 2025, approved the distribution of cash dividend to the shareholders at the rate of 11% of share capital (equivalent to SR 0.11 per share) amounting to SR 55 million.

During the three period ended March 31, 2025, one of the subsidiaries (Building Construction Company Limited) declared dividend amounting to SR 45 million (equivalent to SR 9,000 per share) out of which SR 9 million related to non-controlling interest was paid during the period.

19. SUBSEQUENT EVENTS

In the opinion of the management, there have been no other significant subsequent events since the period end that would have a material impact on the condensed consolidated interim financial statements of the Group as reflected in these condensed consolidated interim financial statements.

20. DATE OF AUTHORIZATION

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on Dhu Al-Qidah 18, 1447H corresponding to May 05, 2026.