

**AL-ANDALUS PROPERTY COMPANY**

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated  
Financial Statements (Unaudited)**

**For the three- and six-month periods ended 30 June 2025**

**Together with the  
Independent Auditor's Review Report**

**Al-Andalus Property Company**

(Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT****For the three and six-months period ended 30 June 2025**

(All amounts are expressed in Saudi Riyal unless otherwise stated)

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF AL ANDALUS PROPERTY COMPANY  
(SAUDI JOINT STOCK COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Andalus Property Company ("the Company") and its subsidiary (collectively referred to as "the Group") as at 30 June 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and 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 interim financial statement 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 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.

**Other matter**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed unmodified opinion on those consolidated financial statements on 23 Ramadhan 1446H (corresponding to 23 March 2025). Further, the interim condensed consolidated financial statement of the Group for the three- and six-month period ended 30 June 2024 were reviewed by another auditor who expressed an unmodified review conclusion on the interim condensed consolidated financial statements on 1 Safar 1446H (corresponding to 5 August 2024).

for Ernst & Young Professional Services



Marwan S. AlAfaliq  
Certified Public Accountant  
License No. (422)

Riyadh: 13 Safar 1447H  
(7 August 2025)



**Al-Andalus Property Company**

(Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****(UNAUDITED)****As at 30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

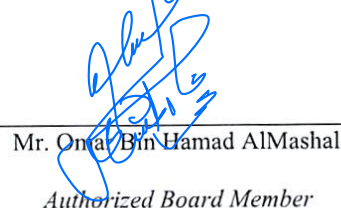
		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	7	145,762,914	135,247,719
Investment properties	6	1,301,938,955	1,374,172,184
Equity accounted investees	8	547,232,896	570,715,454
<b>Total non-current assets</b>		<b>1,994,934,765</b>	<b>2,080,135,357</b>
<b>Current assets</b>			
Receivables from operating lease		76,191,021	62,191,934
Prepayments and other receivables		29,403,041	27,187,933
Due from related parties	12	16,543,644	5,127,082
Cash and cash equivalents		80,731,746	45,880,615
Other investments	9	-	40,343,803
<b>Total current assets</b>		<b>202,869,452</b>	<b>180,731,367</b>
<b>Total assets</b>		<b>2,197,804,217</b>	<b>2,260,866,724</b>
<b>Equity</b>			
Share capital		933,333,330	933,333,330
Retained earnings		48,985,632	83,292,053
<b>Equity attributable to the Company's Shareholders</b>		<b>982,318,962</b>	<b>1,016,625,383</b>
Non-controlling interests		130,343,967	142,964,360
<b>Total equity</b>		<b>1,112,662,929</b>	<b>1,159,589,743</b>
<b>Liabilities</b>			
Employees' benefits – defined benefits obligations		13,647,388	12,604,414
Lease liabilities		67,376,969	114,959,440
Islamic finance facilities	10	859,542,465	839,034,552
<b>Total non-current liabilities</b>		<b>940,566,822</b>	<b>966,598,406</b>
Advances from lessees and deferred revenue		56,848,383	53,052,606
Lease liabilities - current portion		10,647,750	17,302,750
Islamic finance facilities - current portion	10	14,780,983	14,366,097
Due to related parties	12	31,789,162	16,335,472
Zakat provision		2,924,169	4,145,569
Accruals and other payables		27,584,019	29,476,081
<b>Total current liabilities</b>		<b>144,574,466</b>	<b>134,678,575</b>
<b>Total liabilities</b>		<b>1,085,141,288</b>	<b>1,101,276,981</b>
<b>Total equity and liabilities</b>		<b>2,197,804,217</b>	<b>2,260,866,724</b>



Mr. Fawaz Bin Abdulaziz bin  
Huwail  
Chief Financial Officer



Eng. Faisal Bin Abdulrahman  
Alnasser  
Chief Executive Officer



Mr. Omar Bin Hamad AlMashal  
Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (UNAUDITED)**

**For the three-month and six-month periods ended 30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue		53,938,522	58,708,784	110,346,385	111,705,256
Cost of revenue		(22,550,584)	(21,784,006)	(45,020,218)	(42,560,599)
<b>Gross profit</b>		<b>31,387,938</b>	<b>36,924,778</b>	<b>65,326,167</b>	<b>69,144,657</b>
General and administrative expenses		(15,246,636)	(12,320,103)	(29,623,894)	(23,571,855)
Marketing expenses		(415,703)	(1,604,404)	(1,228,183)	(2,089,406)
Impairment loss on receivables from operating lease		-	(3,713,612)	(435,610)	(6,713,612)
Share in loss of equity-accounted investees	8	(8,078,999)	(16,060,362)	(12,982,558)	(10,833,385)
Other income		622,008	3,279,624	1,384,678	4,211,116
<b>Operating profit</b>		<b>8,268,608</b>	<b>6,505,921</b>	<b>22,440,600</b>	<b>30,147,515</b>
Finance cost		(16,718,831)	(15,030,559)	(33,302,711)	(30,176,463)
Gain on disposal of a subsidiary		-	-	3,956,055	-
<b>Loss before Zakat</b>		<b>(8,450,223)</b>	<b>(8,524,638)</b>	<b>(6,906,056)</b>	<b>(28,948)</b>
Zakat		(779,531)	(805,008)	(1,204,305)	(1,931,414)
<b>Loss for the period</b>		<b>(9,229,754)</b>	<b>(9,329,646)</b>	<b>(8,110,361)</b>	<b>(1,960,362)</b>
<b>Attributable to:</b>					
Shareholders of the Company		(10,139,011)	(11,248,126)	(10,973,088)	(6,532,745)
Non-controlling interests		909,257	1,918,480	2,862,727	4,572,383
		<b>(9,229,754)</b>	<b>(9,329,646)</b>	<b>(8,110,361)</b>	<b>(1,960,362)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to statement of profit or loss:		-	-	-	-
<b>Total comprehensive income</b>		<b>(9,229,754)</b>	<b>(9,329,646)</b>	<b>(8,110,361)</b>	<b>(1,960,362)</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		(10,139,011)	(11,248,126)	(10,973,088)	(6,532,745)
Non-controlling interests		909,257	1,918,480	2,862,727	4,572,383
		<b>(9,229,754)</b>	<b>(9,329,646)</b>	<b>(8,110,361)</b>	<b>(1,960,362)</b>
<b>Earnings per share</b>					
Basic and diluted losses per share	11	(0.11)	(0.12)	(0.12)	(0.07)

Fawaz Abdulaziz bin Huwail  
Chief Financial Officer

Eng. Faisal Abdulrahman Alnasser  
Chief Executive Officer

Mr. Omar bin Hamad Al Masha'al  
Authorized Board Member

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**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

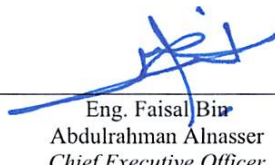
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)****For the six-month period ended 30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	<u>Equity attributable to the Company's Shareholders</u>			<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>			
<b>Balance as at 1 January 2025 (Audited)</b>	<b>933,333,330</b>	<b>-</b>	<b>83,292,053</b>	<b>1,016,625,383</b>	<b>142,964,360</b>	<b>1,159,589,743</b>
(Loss)/profit for the period	-	-	(10,973,088)	(10,973,088)	2,862,727	(8,110,361)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(10,973,088)</b>	<b>(10,973,088)</b>	<b>2,862,727</b>	<b>(8,110,361)</b>
Disposal of subsidiary with NCI	-	-	-	-	(4,733,120)	(4,733,120)
Dividends during the period (note 16)	-	-	(23,333,333)	(23,333,333)	(10,750,000)	(34,083,333)
<b>Balance as at 30 June 2025 (Unaudited)</b>	<b>933,333,330</b>	<b>-</b>	<b>48,985,632</b>	<b>982,318,962</b>	<b>130,343,967</b>	<b>1,112,662,929</b>
 Balance as at 1 January 2024 (Audited)	 933,333,330	 100,624,786	 37,950,256	 1,071,908,372	 156,601,357	 1,228,509,729
(Loss)/profit for the period	-	-	(6,532,745)	(6,532,745)	4,572,383	(1,960,362)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(6,532,745)	(6,532,745)	4,572,383	(1,960,362)
Dividends during the period (note 16)	-	-	(23,333,333)	(23,333,333)	(10,749,063)	(34,082,396)
<b>Balance as at 30 June 2024 (Unaudited)</b>	<b>933,333,330</b>	<b>100,624,786</b>	<b>8,084,178</b>	<b>1,042,042,294</b>	<b>150,424,677</b>	<b>1,192,466,971</b>


  
Mr. Fawaz Bin Abdulaziz bin Huwail

Chief Financial Officer


  
Eng. Faisal Bin Abdulrahman Alnasser

Chief Executive Officer


  
Mr. Omar Bin Hamad AlMashal

Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS  
(UNAUDITED)****For the six-month period ended 30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	2025 (Unaudited)	2024 (Unaudited)
<b><u>Operating activities</u></b>		
Loss for the period before Zakat	(6,906,056)	(28,948)
<b>Adjustments:</b>		
Depreciation:		
- Investment properties	16,608,207	16,219,428
- Property and equipment	2,695,545	2,644,283
Interest on lease liabilities	3,960,016	5,603,220
Share of loss from equity accounted investees	12,982,558	10,833,385
Impairment loss on receivables from operating lease	435,610	6,713,612
Employees' benefits – defined benefit obligations	1,317,756	1,032,911
Gain from investment in financial instruments at FVTPL	-	(521,393)
Gain on disposal of subsidiary	(3,956,055)	-
Finance cost	29,342,695	24,573,243
	<u>56,480,276</u>	<u>67,069,741</u>
<b>Changes in:</b>		
Receivables from operating leases	(17,553,516)	(6,519,559)
Prepayments and other receivables	(6,442,264)	(6,626,445)
Related parties' balances, net	4,054,985	5,659,372
Advances from lessees and deferred revenue	5,982,046	17,222,420
Accruals and other payables	(1,524,788)	577,236
Dividends received from equity-accounted investees	10,500,000	10,000,000
<b>Cash generated from operating activities</b>	<u>51,496,739</u>	<u>87,382,765</u>
Employees' benefits - defined benefit obligation paid	(274,782)	(148,518)
Zakat paid	(2,254,336)	(5,812,534)
<b>Net cash generated from operating activities</b>	<u>48,967,621</u>	<u>81,421,713</u>
<b><u>Investing activities</u></b>		
Additions to property and equipment	(13,545,361)	(2,510,390)
Additions to investment properties	(3,413,709)	(29,037,882)
Repayment under investment account	-	(23,000,000)
Proceeds / (purchase) of investments in financial instruments at FVTPL	40,343,803	(63,140,163)
Proceeds from disposal of subsidiary net of cash disposed of	12,232,006	-
<b>Net cash from (used in) investing activities</b>	<u>35,616,739</u>	<u>(117,688,435)</u>
<b><u>Financing activities</u></b>		
Proceeds from Islamic finance facilities	20,346,250	20,000,000
Payment of interest for Islamic finance facilities	(28,766,146)	(24,354,970)
Payment of lease liabilities	(7,230,000)	(7,230,000)
Dividends paid	(23,333,333)	(23,333,333)
Dividends paid to the non-controlling interests	(10,750,000)	(10,749,063)
<b>Net cash used in financing activities</b>	<u>(49,733,229)</u>	<u>(45,667,366)</u>
Net change in cash and cash equivalents during the period	34,851,131	(81,934,088)
Cash and cash equivalents at the beginning of the period	45,880,615	176,940,865
<b>Cash and cash equivalents at closing of the period</b>	<u>80,731,746</u>	<u>95,006,777</u>

Mr. Fawaz Bin Abdulaziz bin  
Huwait  
Chief Financial Officer

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Chief Executive Officer

Mr. Omar Bin Hamad AlMashal  
Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

## **Al-Andalus Property Company**

(A Saudi Joint Stock Company)

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

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#### **1 REPORTING ENTITY**

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 03/09/1427H corresponding to 26/09/2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under Commercial Registration No. 1010224110 and Unified Number 7001516512 dated 17/09/1427H corresponding to 10/10/2006.

The main activities of the Company include construction, ownership and management of centers, commercial and residential complexes in addition to general contracting of residential, commercial buildings, educational, recreational, health institutions, roads, dams, water and sewage projects, electrical and mechanical works. The activities also include maintenance and operation of real estate properties, buildings and commercial complexes as well as ownership, development and investment of lands and properties for the benefit of the Company and based on its purposes.

The Company’s share capital is SR 933,333,330 divided into 93,333,333 shares with a nominal value of SR 10 each.

The head office of the Company is located in Riyadh, Al Wadi District, Northern Ring Road, Al-Andalus Property Company Building.

The Company’s financial year starts on 1 January and ends on 31 December of each Gregorian year.

Al-Andalus Property Company is referred to as (the “Company”) or collectively with its subsidiaries disclosed in Note 3 as (the “Group”).

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

These interim condensed consolidated financial statements (the “Interim Financial Statements”) for the six-month period ended 30 June 2025 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2024 (Prior Year Financial Statements).

These interim financial statements do not include all the information and disclosures required in the annual financial statements in accordance with requirements of International Financial Reporting Standards (IFRS Accounting Standards) issued by International Accounting Standards Board (“IASB”) 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”). However, these interim financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

##### **2.2 Basis of measurement**

The Interim financial statements have been prepared on a historical cost basis, except:

- Defined benefit obligation - employees’ benefits which are measured at present value using the projected unit credit method.
- Financial instruments at fair value through profit or loss

##### **2.3 Functional and presentation currency**

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



**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED) (continued)****30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

**3 BASIS OF CONSOLIDATION OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements include the financial statements of the Company, and its subsidiaries listed below as at and for the period ended 30 June 2025:

<u>Subsidiary's name</u>	<u>Country of Incorporation</u>	<u>% of shareholding</u>	
		<u>2025</u>	<u>2024</u>
Al-Ahli REIT Fund 1	Kingdom of Saudi Arabia	<b>68.73%</b>	68.73%
Manafea Al Andalus Company for Real Estate Development - (note 15)	Kingdom of Saudi Arabia	-	70%

Details of subsidiaries are as follows:

**Al-Ahli REIT Fund 1**

Al-Ahli REIT Fund 1 was formed in accordance with Capital Market Authority dated 11 Rabi' I 1438H (corresponding to 29 November 2017). The principal activities of the Fund are to make investments in investment properties. Currently, Al-Andalus managed the properties in the Fund through the master transfer agreement. Any change in the management of Fund's properties will require a majority of the unit holder voting. the Fund's investments represent the below properties:

<u>Name of property</u>	<u>Location</u>
Alandalus Mall	Jeddah
Al-Andalus Mall Hotel	Jeddah
Salama Tower	Jeddah
QBIC Plaza	Riyadh

**Manafea Al Andalus Company for Real Estate Development**

Manafea Al Andalus Company for Real Estate Development was formed as a limited liability company in the Kingdom of Saudi Arabia and operates under Commercial Registration No 1010700657 dated 22 Rajab 1438H (corresponding to 19 April 2017). The principal activities of Manafea include leasing, managing properties owned or leasing (residential and nonresidential), commission-based properties management activities, developments activities, and investment properties.

<u>Name of property</u>	<u>Location</u>
Al Marwah Plaza	Jeddah

The subsidiary has been disposed of during the period (note 15).

**4 AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025, but these do not have an impact on the interim financial statements of the Group.

**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED) (continued)****30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

**5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the interim financial statements requires management to use judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those applied in the preparation in the Group's annual consolidated financial statements as at and for the year ended 31 December 2024.

**6 INVESTMENT PROPERTIES**

	<b>30 June 2025</b>	31 December 2024
	<b>(Unaudited)</b>	(Audited)
<b><u>Cost:</u></b>		
Balance at the beginning of the period/ year	<b>1,684,810,243</b>	1,599,523,703
Additions during the period/ year	<b>3,413,709</b>	85,286,540
Derecognised on sale of subsidiary (note 15)	<b>(89,150,015)</b>	-
Balance at the end of the period / year	<b>1,599,073,937</b>	1,684,810,243
<b><u>Accumulated depreciation:</u></b>		
Balance at the beginning of the period/ year	<b>(310,638,059)</b>	(275,506,183)
Depreciation charged during the period / year	<b>(16,608,207)</b>	(35,131,876)
Derecognized accumulated depreciation and impairment on sale of subsidiary (note 15)	<b>30,111,284</b>	-
Balance at the end of the period / year	<b>(297,134,982)</b>	(310,638,059)
<b>Net carrying amount</b>	<b>1,301,938,955</b>	1,374,172,184

The Group has pledged Al-Andalus Mall against Islamic financing facility that is obtained from a local Bank (note 10). Also, the Group pledged Yassmin Al-Andalus Tower against Islamic financing facility that is obtained from a local bank (note 10).

The lands and the buildings classified as investment properties were evaluated by external valuers to determine their fair value as of 31 December 2024. The fair values of the investment properties amounted to ﷲ 2.37 billion as at that date. The key assumptions used in determining the fair value of the investment properties were discount rates, occupancy rate and exit yield rate and the valuation approaches used are the income approach (discounted cash flows) and sales comparable method.

The evaluation was carried out by the external valuers accredited by the Saudi Authority for Accredited Valuers (TAQEEM), Esnad: TAQEEM record No. 1210000934, QIAM: TAQEEM record No. 1210000052, and ValuStart: TAQEEM record No. 1210000320/1210001039.

The management believes that the fair values of investment properties as at 30 June 2025 do not materially differ from the fair values determined as at 31 December 2024.

**7 PROPERTY AND EQUIPMENT**

As of 30 June 2025, the cost of property and equipment amounted to ﷲ 232.9 million (31 December 2024: ﷲ 220.1 million) and the accumulated depreciation amounted to ﷲ 87.1 million (31 December 2024: ﷲ 84.8 million).

The Group has pledged Al-Andalus Mall Hotel against Islamic finance facility obtained from local Bank (refer note 10).

**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED) (continued)****30 June 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

**8 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES**

The details of equity-accounted investments are summarized as follows:

	<b>% of shareholding</b>		<b>30 June</b>	<b>31 December</b>
	<b>30 June</b>	<b>31 December</b>	<b>2025</b>	<b>2024</b>
	<b>2025</b>	<b>2024</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Al-Aswaq Al-Mutatawerah Company**	<b>50%</b>	50%	<b>101,525,760</b>	101,469,385
Hayat Real Estate Company	<b>25%</b>	25%	<b>200,557,056</b>	197,525,907
Soroooh Al-Marakiz Company*	<b>25%</b>	25%	<b>49,031,249</b>	49,031,249
Gharb Jeddah Hospital Company**	<b>50%</b>	50%	<b>90,488,249</b>	115,613,544
Al-Jawhra Al-Kubra Company	<b>25%</b>	25%	<b>49,624,719</b>	50,954,583
Massat Property Company*	<b>25%</b>	25%	<b>56,005,863</b>	56,120,786
			<b>547,232,896</b>	570,715,454

\* These companies have not commenced commercial operations yet.

\*\* The Group owns 50% of the shareholding of these associates and does not have control or common control over these associates.

All of the equity-accounted investees are incorporated in Kingdom of Saudi Arabia.

The movement in investments in equity-accounted investees is as follows:

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Balance at the beginning of the period/ year	<b>570,715,454</b>	527,085,565
Addition during the period/ year	-	101,788,000
Share of losses from equity accounted investees for the period/ year	<b>(12,982,558)</b>	(33,907,930)
Dividends received during the period/year	<b>(10,500,000)</b>	(24,250,181)
Balance at the end of the period / year	<b>547,232,896</b>	570,715,454

The Group's share of profit/ (loss) of equity-accounted investees for the period is as follows:

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Al-Aswaq Al-Mutatawerah Company	<b>5,056,375</b>	114,896
Hayat Real Estate Company	<b>8,531,148</b>	10,469,594
Gharb Jeddah Hospital Company	<b>(25,125,294)</b>	(16,460,856)
Al-Jawhra Al-Kubra Company	<b>(1,329,864)</b>	(4,929,811)
Massat Property Company	<b>(114,923)</b>	(27,208)
	<b>(12,982,558)</b>	(10,833,385)

The companies' financial information at and for the period ended 30 June 2025 is derived from the management reports of these companies.

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**9 OTHER INVESTMENTS**

The time deposits balance as of 30 June 2025 – NIL (31 December 2024: ﷲ 40.3 million), Time deposits represent deposits with “Alkhair Capital Fund” with maturity of less than three months.

**10 ISLAMIC FINANCE FACILITIES**

Movement in Islamic finance facilities during the period is as follows:

	<b>30 June 2025 (Unaudited)</b>	31 December 2024 (Audited)
Balance at the beginning of the period/year	<b>853,400,649</b>	803,809,841
Additions during the period/year	<b>20,346,250</b>	54,000,000
Additions of finance cost during the period/year	<b>29,342,695</b>	54,789,689
Payments during the period/year	<b>(28,766,146)</b>	(59,198,881)
Balance at the end of the year	<b>874,323,448</b>	853,400,649
Non-current portion	<b>859,542,465</b>	839,034,552
Current portion	<b>14,780,983</b>	14,366,097

During 2019, the Group obtained an Islamic financing facility amounting to ﷲ 650 million from local bank. The facility agreement included adherence to specific financial covenants for the local bank. The Group pledged the properties (Al-Andalus Mall and Hotel), in favor of a real estate company, a fully owned subsidiary of the local bank, as a guarantee against the financing. The tenor of the Islamic financing facility is 15 years. The Islamic financing facility provides a 5-year grace period during which only profit payments must be made. Following the grace period, the principal amount shall be repaid over 10 years on a quarterly basis. Further, an amendment to the Islamic financing agreement was signed and the type of facility was changed from Ijara to Murabaha. The tenure of the financing was revised, and the outstanding financing balance became payable in July 2026. Accordingly, the financing balance was disclosed as non-current. The facility limit was increased to ﷲ 760 million instead of ﷲ 650 million. An additional amount of the facility of ﷲ 20.34 million was utilized during the period.

During 2023, the Group obtained an Islamic finance facility from the local bank to finance the acquisition transaction of Yassmin Al-Andalus Tower in Al-Yasmeen district, Riyadh city. The term of the facility is 7 years, and payments must be made after one year from the date of withdrawal in the form of incremental annual installments for a period of 7 years, with the last installment due on the date of termination. The Group pledged Yassmin Al-Andalus Tower having a carrying value of ﷲ 196.3 million as at reporting date, classified within investment properties to the local bank as a guarantee against the financing. The Group also approved to waive the rental returns and transfer them directly to the Group account at the local bank.

The financing is subject to commission rates based on SAIBOR plus an agreed commission rate. The increase in the finance cost is attributable to the increase in the interest rates accrued during the period. The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained, otherwise the loan will be repayable on demand.



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**11 EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

	<b>For the three-month period ended</b>	
	<b>30 June 2025 (Unaudited)</b>	<b>30 June 2024 (Unaudited)</b>
Loss for the period	<b>(10,973,088)</b>	(6,532,745)
Weighted average number of outstanding ordinary shares	<b>93,333,333</b>	93,333,333
Basic and diluted earnings per share (ﷲ)	<b>(0.12)</b>	(0.07)

The diluted earnings per share is equal to the basic earnings per share for the periods ended 30 June 2025, and 30 June 2024 as there are no instruments with diluted impact on earnings per share.

**12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

For the purpose of these interim condensed consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. The transactions with related parties are made on terms approved by the Board of Directors of the Group. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these interim condensed consolidated financial statements.

The details of transactions with related parties are mentioned below:

<b>Related party name</b>	<b>Relationship</b>	<b>Nature of the transaction</b>	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Hayat Real Estate Company	Associate	Operating income and expenses paid on behalf	<b>7,432,097</b>	10,937,393
Al-Ahli Capital	Fund manager of a subsidiary	Operating Services	<b>10,638,125</b>	15,677,973
Al-Jawhara Company	Associate	Funds provided	<b>12,946,250</b>	-

The details of balances with related parties are mentioned below:

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>Due from related parties</b>		
Hayat Real Estate Company	<b>3,597,394</b>	5,127,082
Al-Jawhara Company	<b>12,946,250</b>	-
	<b>16,543,644</b>	5,127,082
<b>Due to related parties</b>		
Al-Ahli Capital	<b>31,789,162</b>	16,335,472

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**13 SEGMENTS REPORTING**

The Group's activities include a number of segments as follows:

<u>Reportable segments</u>	<u>Activity</u>
Retail and operation sector	This includes rented out commercial units of certain investment properties utilized as malls and for operation of the malls.
Hospitality sector	This includes investment properties used for providing hospitality services (Al-Andalus Mall Hotel).
Office sector	This includes rent for commercial units from investment properties (Salama Tower, QBIC Plaza, Yassmin Al-Andalus Tower).

The Group reviews internal reports for each sector on a quarterly basis at a minimum.

The information related to each reportable sector is as follows: Net sector profit before zakat is used to measure performance as the Group's management believes that this information is the most relevant in assessing the results of the relevant sector compared to other companies operating in the same industry.

	<u>Retail sector</u>	<u>Hospitality sector</u>	<u>Office sector</u>	<u>Unallocated</u>	<u>Total</u>
<b><u>For the six-month period ended 30 June 2025 (Unaudited)</u></b>					
Revenue	74,284,231	7,422,445	28,639,709	-	110,346,385
Cost of revenue	(26,408,948)	(9,880,944)	(8,730,326)	-	(45,020,218)
Share of profit from equity-accounted investees	-	-	-	(12,982,558)	(12,982,558)
Expenses	(30,353,242)	-	(22,153,036)	(11,648,510)	(64,154,788)
Impairment of receivables from operating lease	(435,610)	-	-	-	(435,610)
Other income	-	-	-	5,340,733	5,340,733
Profit/(loss) before Zakat	17,086,431	(2,458,499)	(2,243,653)	(19,290,335)	(6,906,056)
<b><u>1As at 30 June 2025</u></b>					
Total assets	707,717,463	134,860,615	673,770,383	681,455,756	2,197,804,217
Total liabilities	375,819,064	8,865,239	676,578,259	23,878,726	1,085,141,288

The Group's executive management reviews the internal management reports of each division at least quarterly. Group revenue are generated from contracts with customers by providing commercial unit rental services and hospitality services. Control over housing units rental services is transferred over time, while control over hospitality services is transferred at a point in time.

Information about geographic regions

All of the Group operating sectors operate within the borders of the Kingdom of Saudi Arabia.

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**13 SEGMENTS REPORTING (continued)**For the six-month period ended 30 June 2024 (Unaudited)

	Retail sector	Hospitality sector	Office sector	Unallocated	Total
Revenue	74,126,629	10,305,023	27,273,604	-	111,705,256
Cost of revenue	(22,640,856)	(11,930,916)	(7,988,827)	-	(42,560,599)
Share of profit from equity accounted investees	-	-	-	(10,833,385)	(10,833,385)
Expenses	(20,000,141)	-	(24,573,242)	(11,264,341)	(55,837,724)
Impairment of receivables from operating lease	(6,713,612)	-	-	-	(6,713,612)
Other income	-	-	-	4,211,116	4,211,116
Profit/(loss) before Zakat	24,772,020	(1,625,893)	(5,288,465)	(17,886,610)	(28,948)
<b><u>As at 31 December 2024</u></b>					
Total assets	720,911,961	125,363,510	680,571,257	734,019,996	2,260,866,724
Total liabilities	429,334,614	3,709,517	656,451,933	11,780,917	1,101,276,981

**14 DETERMINATION OF FAIR VALUES, CLASSIFICATION AND RISK MANAGEMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and at prevailing market conditions regardless of the fact that price is directly identified or estimated using other valuation techniques.

All assets and liabilities whether these are measured at fair value or not, are disclosed in the financial statements in accordance with the hierarchical levels of fair value measurements as stated below are classified into the respective hierarchy based on the lowest level of input which is considered significant for measuring the fair value as a whole.

**Level 1:** Declared (unadjusted) and quoted market prices in active markets for the same or identical instruments.

**Level 2:** Valuation techniques that use inputs that are directly or indirectly observable or tracked for an instrument other than declared / quoted prices mentioned in level 1.

**Level 3:** Valuation techniques for which significant inputs are used that are unobservable or not tracked for an instrument.

The Group is exposed to risks as a result of using financial instruments. The following explains the Company's objectives, policies and operations to manage these risks and methods used to measure them in addition to quantitative information related to these risks in the accompanying financial statements.

There were no significant changes that may expose the Group to financial instrument risks through its objectives, policies and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.



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**15 DISPOSAL OF SUBSIDIARY**

On 27 February 2025, the board of directors of the group approved to sell the total interest owned (70%) in the subsidiary “Manafea Al-Andalus Company” and the contract has been signed between the Group and the buyer “Saudi Tourism Development Company” on 27 February 2025, for a total value of ﷲ 15 Million, the parties agreed that the sales effective transaction date and the shares shall be sold based on the balances of subsidiary as at 1<sup>st</sup> January 2025. The deal has resulted in a gain of ﷲ 3.9 million.

	As at 1 January 2025
Consideration received	15,000,000
Net Value of net assets of subsidiary	(11,043,945)
<b>Net gain on disposal of subsidiary</b>	<b>3,956,055</b>
Net assets of subsidiary sold at the date of disposal	15,777,065
Less: Value of NCI at the date of disposal	(4,733,120)
Net Value of net assets of subsidiary	11,043,945

**Financial Information at the date of disposal for subsidiary as follows:**

	As at 1 January 2025
<b>Assets</b>	
Property and equipment	334,621
Investment properties (Note 6)	59,038,731
Receivables from operating lease	3,118,819
Prepayments and other receivables	4,227,156
Cash and cash equivalents	2,767,994
<b>Total assets</b>	<b>69,487,321</b>
<b>Liabilities</b>	
Lease liabilities	50,967,487
Advances from lessees and deferred revenue	2,186,269
Due to related parties	17,857
Accruals and other payables	367,274
Zakat provision	171,369
<b>Total liabilities</b>	<b>53,710,256</b>
<b>Net assets</b>	<b>15,777,065</b>

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**15 DISPOSAL OF SUBSIDIARY (continued)****Effect of disposal on the cash flow:**

Investment property	59,038,731
Receivables from operating lease	3,118,819
Prepayments and other receivables	4,227,156
Property and equipment	334,621
Due to related parties	(17,857)
Advance From lease	(2,186,269)
Accruals and other payables	(367,274)
Zakat payable	(171,369)
Obligation under operation lease	(50,967,487)
Profit from disposal	3,956,055
Non-controlling interest	(4,733,120)
Disposal of subsidiary	<u>12,232,006</u>
Consideration in received	15,000,000
Cash and cash equivalent disposed	<u>(2,767,994)</u>
	<u>12,232,006</u>

**16 DIVIDENDS**

On 23 March 2025, the Board of Directors decided pursuant to the authorization of the general assembly to distribute interim dividends of ﷲ 23.3 million (ﷲ 0.25 per share) and such dividends were paid on 29 April 2025. (30 June 2024: ﷲ 23.3 million, ﷲ 0.25 per share).

**17 ZAKAT**

The Company have finalized its zakat assessment with Zakat, Tax, and Customer Authority (ZATCA) for all the years up to 2023 and obtained zakat certificate up to 2024.

**18 SUBSEQUENT EVENTS**

There have been no subsequent events after the reporting date that might require disclosure in or adjustment in these interim financial statements.

**19 APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 13 Safar 1447H (corresponding to 7 August 2025).