Darb Saudi Investment Company
A Saudi Joint Stock Company

The Interim
Condensed Financial Statements (Unaudited) and
Independent Auditor's Review Report
For the Three-Month and Six-Month Periods Ended
June 30, 2026

Darb Saudi Investment Company
A Saudi Joint Stock Company

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Independent Auditor's Review Report on The Interim Condensed Financial Statements

To the Shareholders of
Darb Saudi Investment Company
A Saudi joint stock company

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Darb Saudi Investment Company (A Saudi Joint Stock Company)** as of June 30, 2026, and related interim condensed statements of comprehensive income for the three-month and six-month periods then ended, the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the six-month period then ended, and a summary of material accounting policy information and other explanatory notes related to the condensed interim financial information.
Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information 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" endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim financial information for the three-month and six-month periods ended 30 June, 2026 of Darb Saudi Investment Company is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

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Emphasis of a Matter

We draw attention to notes (8 and 14) to the accompanying interim condensed financial statements, which describe the asset exchange case with Al Satea Modern General Contracting Company, whereby the Company has recognized a provision for the losses arising from the asset exchange contract with Al Satea Modern General Contracting Company amounting to SAR 26,136,823. The Company's management believes that the assets expected to be received in exchange are not significant and are subject to substantial impairment due to their obsolescence. Accordingly, a provision has been recognized at the carrying amount of the performance obligations that the Company is committed to deliver to the other party. In addition, the previously issued judgment obligating Darb Saudi Investment Company to fulfill the terms of the contract with Al Satea Modern General Contracting Company has been upheld. Our conclusion is not modified in respect of this matter.

Talal Abu-Ghazaleh & Co.

Waleed Ahmed Bamarouf
Certified Public Accountant - Licence No. 408
Date: Safar 20, 1448(H) corresponding August 3, 2026(G)
Jeddah – Kingdom of Saudi Arabia

Darb Saudi Investment Company
A Saudi Joint Stock Company

The interim condensed statement of financial position (unaudited)
as of June 30, 2025

Exhibit "A"

ASSETS	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current Assets		(SR)	(SR)
Cash and cash equivalents		5,825,715	1,867,121
Accounts receivables - net	4	3,148,873	2,559,751
Other debit balances - net		235,885	72,445
Due from related party	11	211,195	-
Total Current Assets		**9,421,668**	**4,499,317**
Non - Current Assets			
Goodwill- net	5	22,159,064	22,159,064
Intangible assets - net		1	1
Investment properties- net	6	229,260,793	231,135,869
Property and equipment- net		247,089	314,588
Total Non Current Assets		**251,666,947**	**253,609,522**
Non-current assets held for sale- net	8	-	-
Total Assets		**261,088,615**	**258,108,839**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		937,461	937,461
Other credit balances		6,811,983	5,887,347
Auction shares deposits under settlement	7	11,265,740	11,266,785
Due to related parties	11	-	900,000
Lease liabilities - current portion		2,826,942	2,269,100
Zakat provision	9	40,759	118,197
Total Current Liabilities		**21,882,885**	**21,378,890**
Non-Current Liabilities			
Lease liabilities - non current portion		5,393,770	6,378,320
Employees' defined benefit obligation		817,101	519,679
Total Non-Current Liabilities		**6,210,871**	**6,897,999**
Total Liabilities		**28,093,756**	**28,276,889**
Shareholders' Equity			
Capital	10	218,295,000	218,295,000
Retained earnings		14,699,859	11,536,950
Total Shareholders' Equity		**232,994,859**	**229,831,950**
Total Liabilities and Shareholders' Equity		**261,088,615**	**258,108,839**

The accompanying notes from (1) to (20) constitute an integral part of these interim condensed financial statements

Chairman of the Board: Mohammed bin Saleh Al-Hammadi	Chief Executive Officer (CEO): Ibrahim bin Abdullah bin Kulaib	Chief Financial Officer (CFO): Mohammed Al-Jundi

Darb Saudi Investment Company
A Saudi Joint Stock Company

The interim condensed statement of comprehensive income (unaudited)
for the three-month and six-month periods ended June 30, 2026

Exhibit "B"

	Notes	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
		2026	2025	2026	2025
		(SR)	(SR)	(SR)	(SR)
Revenues		4,010,806	4,604,174	8,009,486	9,166,192
Cost of revenues		(1,195,895)	(1,129,378)	(2,303,944)	(2,185,360)
Gross profit		**2,814,911**	**3,474,796**	**5,705,542**	**6,980,832**
General and administrative expenses		(902,061)	(973,158)	(2,071,928)	(1,845,939)
Reversal (provision) of expected credit loss		402,636	(848,356)	(373,572)	(2,071,046)
Profit from operations		**2,315,486**	**1,653,282**	**3,260,042**	**3,063,847**
Finance costs		(86,819)	(100,582)	(173,291)	(201,661)
Other revenue		-	30,465	116,917	55,513
Income for the period before Zakat		**2,228,667**	**1,583,165**	**3,203,668**	**2,917,699**
Zakat	9	(34,516)	(11,587)	(40,759)	(20,211)
Total comprehensive income		**2,194,151**	**1,571,578**	**3,162,909**	**2,897,488**
Basic and diluted earnings per share for the shareholders of the company	12	**0.0101**	**0.0072**	**0.0145**	**0.0133**

The accompanying notes from (1) to (20) constitute an integral part of these interim condensed financial statements

Chairman of the Board:	Chief Executive Officer (CEO):	Chief Financial Officer (CFO):
Mohammed bin Saleh Al-Hammadi	Ibrahim bin Abdullah bin Kulaib	Mohammed Al-Jundi

Darb Saudi Investment Company
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The interim condensed statement of changes in equity (unaudited)
for the six-month period ended June 30, 2026

	Capital	Retained earnings	Total Shareholders' Equity
	(SR)	(SR)	(SR)
For the period ended June 30, 2026			
Balance at the beginning of the period - audited	218,295,000	11,536,950	**229,831,950**
Total comprehensive income	-	3,162,909	**3,162,909**
Balance at the end of the period - unaudited	**218,295,000**	**14,699,859**	**232,994,859**
For the period ended June 30, 2025			
Balance at the beginning of the period - audited	218,295,000	4,758,527	**223,053,527**
Total comprehensive income	-	2,897,488	**2,897,488**
Balance at the end of the period - unaudited	**218,295,000**	**7,656,015**	**225,951,015**

The accompanying notes from (1) to (20) constitute an integral part of these interim condensed financial statements

Chairman of the Board: Mohammed bin Saleh Al-Hammadi	**Chief Executive Officer (CEO): Ibrahim bin Abdullah bin Kulaib**	**Chief Financial Officer (CFO): Mohammed Al-Jundi**

Darb Saudi Investment Company
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The interim condensed statement of cash flows (unaudited)
for the Six-month period ended June 30, 2026 Exhibit "D"

	For the Six-Month Period Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES	(SR)	(SR)
Income for the period before Zakat	3,203,668	2,917,699
Adjustments to reconcile income for the period before Zakat to net cash from operating activities		
Depreciations of investment property and PP&E & amortization of intangible assets	1,942,575	1,876,308
Employees' defined benefit obligation - charged	318,002	51,917
Finance cost	173,291	201,661
Provision for expected credit losses	373,572	2,071,046
Changes in Operating Assets and Liabilities		
Accounts receivables	(962,694)	(3,850,044)
Other debit balances	(163,440)	(144,934)
Due from related party	(211,195)	(359,151)
Other credit balances	924,636	2,604,000
Auction shares deposits under settlement	(1,045)	79,487
Cash flows from operations	**5,597,370**	**5,447,989**
Zakat - Paid	(118,197)	(1,908,716)
Employees' defined benefit obligation - Paid	(20,580)	-
Net Cash flows from Operating Activities	**5,458,593**	**3,539,273**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of investment properties	-	(116,471)
Additions of property and equipment	-	(130,816)
Net cash flows used in investing activities	**-**	**(247,287)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - Paid	(599,999)	(583,187)
Due to related parties	(900,000)	(1,000,718)
Net Cash flows used in Financing Activities	**(1,499,999)**	**(1,583,905)**
Net increase in cash and cash equivalents	**3,958,594**	**1,708,081**
Cash and cash equivalents at beginning of the period	1,867,121	397,113
Cash and cash equivalents at end of the period	**5,825,715**	**2,105,194**

The accompanying notes from (1) to (20) constitute an integral part of these interim condensed financial statements

Chairman of the Board: Mohammed bin Saleh Al-Hammadi	Chief Executive Officer (CEO): Ibrahim bin Abdullah bin Kulaib	Chief Financial Officer (CFO): Mohammed Al-Jundi

1. Company's Information

- Darb Saudi Investment Company ("the company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under the commercial registration No. 5800005960 Uniform number 7001363386 on Rajab 19, 1413(H) corresponding to January 11, 1993(G) and according to Ministerial Resolution No. 600 on Jumada Al-Thani 5, 1413(H) corresponding to November 30, 1992(G).
- On June 17, 2025, the Company's name was changed to Darb Saudi Investment Company instead of Al-Baha Investment and Development Company, and all legal procedures in this regard were completed.
- The Company's activities include managing and leasing the residential and non-residential real estates that are owned or leased by the Company, managing and leasing warehouses, brokerage of real estates, managing properties, general construction of residential and non-residential buildings; renovation of residential and non-residential buildings; finishing works for buildings, hotels, and hotel apartments; as well as the purchase, sale, and subdivision of land and real estate; off-plan sales activities; and the real estate development of residential and commercial buildings. The Company performs its activities in accordance with applicable regulations and after obtaining the required licenses from related bodies (if required).
- Darb Saudi Investment Company obtained a real estate developer qualification certificate from the Ministry of Municipal and Rural Affairs and Housing, Developers Services Center, after meeting the approved qualification standards on March 7, 2024.
- The head office of the company is located at the following address:
  Riyadh - Al-Izdihar district, P.O. Box 85634, 11612, Kingdom of Saudi Arabia
- The financial statements include the activities of the following branches:
  - The Elegant Centers Limited, a branch of Darb Saudi Investment Company, Commercial Registration No. 1010428696 dated Safar 18, 1436H, corresponding to December 10, 2014.
  - Ishraqa Regional Real Estate Development and Investment, a branch of Darb Saudi Investment Company, Commercial Registration No. 1010714580 dated Shawwal 18, 1438H, corresponding to July 12, 2017.

Purchase of Additional Share in a Subsidiary

On August 7, 2024, a Share Purchase and Sale Agreement was signed between Darb Saudi Investment Company (the buyer) and Mr. Mishal bin Mohammed bin Hassan Mufti (the seller and former board member) and the owner of the non-controlling interests in The Elegant Centers Limited Company (a subsidiary), The seller owns 750,000 shares, representing 13.04% of the capital of The Elegant Centers Limited Company, and intends to sell them to Darb Saudi Investment Company (the buyer) for SAR 19,600,000, which will be paid as follows:

- The buyer will pay the purchase price within one year from the effective date. The buyer has the right to extend the payment period for one or more additional similar periods upon notification to the seller.
- The buyer will pay 20% of the purchase price, amounting to SAR 3,920,000, at the effective date.
- The remaining 80% of the purchase price, amounting to SAR 15,680,000, will be paid during the payment period or any extension thereof, with a maximum deadline by the end of the payment period or any extension.

- The first portion of the purchase amounting to SR 3,920,000 was paid on October 1, 2024, and the legal procedures were completed and ownership was transferred on October 1, 2024.
- Subsequent to that date, Darb Saudi Investment Company paid an amount of SR 15,680,000, and accordingly all amounts due to the related party were fully settled.

Conversion of Subsidiaries to Branches

Darb Saudi Investment Company, after acquiring the non-controlling interests in The Elegant Centers Limited Company, now owns 100% of its subsidiaries, namely The Elegant Centers Limited Company and Ishraqa Regional Real Estate Development and Investment Company (a single-person company). Subsequently, Darb Saudi Investment Company converted its subsidiaries into branches of Darb Saudi Investment Company, as approved in the minutes of the Ordinary General Assembly meeting dated 30 September 2024. Accordingly, on 31 October 2024, The Elegant Centers Limited Company was converted into a branch of Darb Saudi Investment Company under the same commercial registration number and date (CR No. 1010428696 dated 18 Safar 1436H, corresponding to 10 December 2014). In addition, Ishraqa Regional Real Estate Development and Investment Company (a single-person company) was converted into a branch of Darb Saudi Investment Company on 6 November 2024 under the same commercial registration number and date (CR No. 1010714580 dated 18 Shawwal 1438H, corresponding to 12 July 2017). All legal procedures in this respect have been completed.

Capital Reduction

According to the Extraordinary General Assembly meeting held on December 19, 2024, it was decided to absorb part of the accumulated losses amounting to SAR 78,705,000 by reducing the capital. A total of 787,050,000 shares were canceled at a nominal value of SAR 0.10 per share, with a reduction of one share for every 3.77 shares. On 8 April 2025, the Extraordinary General Assembly meeting was held, during which it was resolved to amend the nominal value of the share to become SAR 1 per share instead of SAR 0.10 (ten halalas) per share. Accordingly, the number of shares became 218,295,000 nominal shares instead of 2,182,950,000 nominal shares. All regulatory procedures in this respect have been completed, and the Company's Articles of Association and Commercial Registration have been amended accordingly.

2. Basis of preparation

a) Statement of compliance with International Financial Reporting Standards

- These interim condensed financial statements for the six-month period ended as of June 30, 2026 have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).
- The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the financial statements for the Company for the year ended as of December 31, 2025. In addition, the business results for the six-month period ended as of June 30, 2026 are not necessarily an indication for the expected results for the year ended December 31, 2026.

b) Basis of measurement

These interim condensed financial statements have been prepared on historical cost basis using the accrual basis and going concern assumption.

c) Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Riyals, which represents the functional and presentation currency for the Company.

d) Use of estimates, assumptions and judgments

Preparing the interim condensed financial statements requires management to make some judgments, estimates and assumptions that affect the application of the company's accounting policies and the amounts presented for assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The preparation of the interim condensed financial statements also requires significant judgments from the company's management when applying accounting policies and significant sources of estimates and uncertainties that have a material impact, which are the same as shown in the financial statements for the previous year ending on December 31, 2025.

3. Material accounting policy information

The material information relating to the accounting policies applied in the preparation of the interim condensed financial statements is consistent with that applied in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards and amendments to standards and interpretations as disclosed in note (17).

4. Accounts receivables – net

This item consists of the following:

	June 30, 2026	December 31, 2025
	(SR)	(SR)
Accounts receivables	13,613,833	12,651,139
Less: Expected credit loss allowance (*)	(10,464,960)	(10,091,388)
Total	**3,148,873**	**2,559,751**

(*) The movement in the expected credit loss allowance was as follows:

	June 30, 2026	December 31, 2025
	(SR)	(SR)
Balance at the beginning of the period / year	10,091,388	6,902,865
Charged during period / year	373,572	3,196,324
Receivables written off during the period	-	(7,801)
Balance at the end of the period / year	**10,464,960**	**10,091,388**

5. Goodwill-net

The goodwill recognized in the interim condensed financial statements was recognized through the acquisition of Ishraqa Real Estate Development and Investment Company (Company's branch) during the year 2017, and the following is a breakdown of its movement:

	June 30, 2026	December 31, 2025
Cost	(SR)	(SR)
Balance at the beginning of the period / year	28,389,288	28,389,288
Balance at the end of the period / year	**28,389,288**	**28,389,288**
Accumulated impairment		
Balance at beginning the of the period / year	6,230,224	6,230,224
Balance at the end of the period / year	**6,230,224**	**6,230,224**
Net book value	**22,159,064**	**22,159,064**

Impairment test:

- The Company tests the impairment of goodwill on an annual basis by using assistance of an external independent business valuer, this is with the aim of verifying whether there is an impairment on the value of goodwill by comparing the book value of the cash-generating unit with the recoverable value, which is determined by the cost method and the adjusted net asset value method which was assigned a weigh of 100%. However, when calculating the recoverable value using the income method and the discounted cash flow method, the evaluation result did not reflect materially the value of the cash generating unit, and therefore this method was ignored, with a weight of zero%.
- The cost method and the adjusted net assets method were relied upon to evaluate the Ishraqa Real Estate Development and Investment (Company's branch), since it derives its value substantially from the investment property (Al-Izdihar Complex), whose book value is SR 69,152,195 as of December 31, 2025 (note 6/c). The following is a summary of the calculation of the fair value of the net assets and the value of the goodwill as of that date:

	December 31, 2025 (SR)
Net assets at book value	20,856,111
Less: Investment properties - at book value Note (6/c)	(69,152,195)
Add: Investment properties - at fair value Note (6/c)	111,845,000
Fair value of net assets	**63,548,916**
Less: Net assets - at book value	(20,856,111)
Value of good will	**42,692,805**

- The fair value of the investment properties was determined based on the real estate valuation report prepared by the valuation expert, Mawazin Company, a member of the Saudi Authority for Accredited Valuers with membership No. 1210002023, for the year ended December 31, 2025 (2024: Taqdeer Company, a member of the Saudi Authority for Accredited Valuers with membership No. 1210000414) (Note 6).
- The property, plant and equipment attributable to the cash-generating unit (CGU) as at 31 December 2025 and 2024 were excluded from the impairment assessment due to their immateriality. The carrying amounts of these assets were SAR 135,535 and SAR 188,333, respectively.
- The evaluation was carried out using the cost method that falls within international standards and is approved by the Saudi Authority for Accredited Valuers.
- The evaluation of the cash generation unit Eshraqa Real Estate Development and Investment (company branch) was carried out by Alpha Consulting Group – assessor Azzam Al-Mufadda – License Number (3912000019) for the year 2025 (2024: was carried out by Alpha Consulting Group – assessor Azzam Al-Mufadda – License Number (3912000019).

6. Investment properties-net

a) This item consists of the following:

June 30, 2026	Lands	Buildings	Advance payments for improvements of investment properties	Total
Cost	(SR)	(SR)	(SR)	(SR)
Balance at the beginning of the period	179,919,738	80,704,081	-	260,623,819
Balance at the end of the period	**179,919,738**	**80,704,081**	**-**	**260,623,819**
Accumulated Depreciation				
Balance at the beginning of the period	-	20,704,954	-	20,704,954
Addition during the period	-	1,875,076	-	1,875,076
Balance at the end of the period	**-**	**22,580,030**	**-**	**22,580,030**
Accumulated impairment				
Balance at the beginning of the period	8,782,996	-	-	8,782,996
Balance at the end of the period	**8,782,996**	**-**	**-**	**8,782,996**
Net book value	**171,136,742**	**58,124,051**	**-**	**229,260,793**
December 31, 2025				
Cost				
Balance at the beginning of the year	179,919,738	80,079,202	230,948	260,229,888
Transferred from advance payments	-	230,948	(230,948)	-
Addition during the year	-	393,931	-	393,931
Balance at the end of the year	**179,919,738**	**80,704,081**	**-**	**260,623,819**
Accumulated Depreciation				
Balance at the beginning of the year	-	17,024,474	-	17,024,474
Addition during the year	-	3,680,480	-	3,680,480
Balance at the end of the year	**-**	**20,704,954**	**-**	**20,704,954**
Accumulated impairment				
Balance at the beginning of the year	9,121,411	-	-	9,121,411
Reversal during the year	(338,415)	-	-	(338,415)
Balance at the end of the year	**8,782,996**	**-**	**-**	**8,782,996**
Net book value	**171,136,742**	**59,999,127**	**-**	**231,135,869**

b) The Company measures the fair value of investment properties on an annual basis when preparing the annual financial statements through an independent valuation expert who has a recognized and relevant professional qualification and has recent experience in the location and description of the investment property, and the last measurement was on December 31, 2025.

c) The following is a summary of the fair value measurement of investment properties as at December 31, 2025:

December 31, 2025							
Property description	Valuation method	Book Value	Fair Value	Value increase (Value decrease)	Evaluation entity	Evaluator name	License number
		(SR)	(SR)	(SR)			
AlHazm Complex	Cost method (replacement cost)	18,956,206	23,009,000	4,052,794	Mawazin Company	Khaled Anad Al-Anzi	1210002023
AlMalaz Complex	Cost method (replacement cost)	109,787,000	109,787,000	-	Mawazin Company	Khaled Anad Al-Anzi	1210002023
The Saudi factory	Cost method (replacement cost)	26,278,961	44,478,000	18,199,039	Mawazin Company	Khaled Anad Al-Anzi	1210002023
Al-Ezdihar Complex	Cost method (replacement cost)	69,152,195	111,845,000	42,692,805	Mawazin Company	Khaled Anad Al-Anzi	1210002023
Al-Suwaidi Complex	Income method Discounted cash flow method	6,961,507	10,168,256	3,206,749	Mawazin Company	Khaled Anad Al-Anzi	1210002023
Total		231,135,869	299,287,256	68,151,387			

7. Auction shares deposits under settlement

The company obtained the approval of the Capital Market Authority on Rabi' al-Awwal 25, 1430 H, corresponding to March 22, 2009, to sell the unpaid shares to collect the value of the last installment of (SR 2.5) per share. The company started the sale process on June 28, 2009 until December 31, 2009, (984,032) shares were sold for an amount of (SR 14,325,234) according to the offers submitted in the auction, The amount was fully collected, the amount is (SR 2.5), which represents value of 25% of the remaining share value, thus the amount of SR 2,113,074 was used to complete the capital to become SR 150,000,000 fully paid, while the remaining amount of SR 12,212,160, will be returned as a surplus to the shareholders who are late in paying the last installment, and whose shares were sold in auction. The remaining outstanding amount is SR 10,472,637 as of June 30, 2026 (December 31, 2025: SR 10,472,637).

On Rajab 20, 1443 H, corresponding to February 21, 2022, the company's shareholders approved in the Extraordinary General Assembly to increase the company's capital from SR 177,000,000 to SR 297,000,000, and 12,000,000 shares were subscribed, 10,735,702 shares were sold to priority rights holders, and the number of unsubscribed shares reached 1,264,298 shares were sold at a value of SR 23,837,933, this resulted in an amount of SR 11,194,953 that will be refunded to the unsubscribed shareholders. On April 8, 2025, the Extraordinary General Assembly meeting was held, during which approval was given to amend the nominal value of the share to become SR 1 instead of ten halalas (SR 0.10) per share. Accordingly, the number of nominal shares became 218,295,000 nominal shares instead of 2,182,950,000 nominal shares, and the remaining balance amounted to SR 794,148 as at June 30, 2026 (December 31, 2025: SR 794,148).

8. Net non-current assets held for sale and provision for potential claims

On February 6, 2011, the company signed a contract with Al- Sata'ah Modern General Contracting Company according to which the company purchased:

- A crusher with all its equipment, its vehicles, and all movable and fixed assets without its financial liabilities.
- The ready-made concrete project and its movable and fixed assets without their financial receivables.
- The hydrochloric factory (under construction) in addition to its equipment without their financial liabilities.

This is in return for assets with a book value of SR 74,003,717, in addition to paying an amount of SR 10 million in four installments according to certified checks.

The company has done the following:

1) According to the minutes of the Ordinary General Assembly of the company, which was held on April 26, 2011, in which the vote on the bartering assets agreement with the Sata'ah Modern General Contracting Company was postponed to another meeting of the Assembly, after the completion of the required reports and studies.

2) The company contracted with a specialized office to carry out the due diligence examination of the assets of the Al- Sata'ah Modern General Contracting Company, subject of the agreement, and the office issued the due diligence report on September 17, 2011, and those assets were only valued at SR 17,300,559.

3) The company announced on the Tadawul website on September 18, 2011 the issuance of the results of the due diligence report on evaluating the assets of the Al- Sata'ah Modern general Contracting Company, and in view of the large difference between the evaluation result of the assets of the Al- Sata'ah Modern general Contracting Company and the value of the assets of Darb Saudi Investment Company offered for barter with the assets of the Al- Sata'ah Modern General Contracting Company, the management of Darb Saudi Investment and Development Company discussed the evaluation results with the management of the Al- Sata'ah Modern General Contracting Company.

4) The company announced on the Tadawul website on October 1, 2011 the results of its negotiations with the Al- Sata'ah Modern General Contracting Company, which resulted in the Al- Sata'ah Modern general Contracting Company not accepting the results of the due diligence report and also refused to return the amount of 7 million Saudi riyals, that the company had paid in advance as part of the contract. As a result of that, the company canceled the contract with Al- Sata'ah Modern general Contracting Company and a lawsuit was filed in the Judicial Council demanding that Al- Sata'ah Modern general Contracting Company to return the amount paid, A final judgment was issued in the case from the Judicial Council in Jeddah on 24/6/1434 (H) that includes approval of the initial judgment issued by Administrative Court in Jeddah to complete the implementation of the contract. On February 9, 2017, the company received a copy of the judgment of the Execution Department of the General Court in Baljurashi, which states that by looking at the ruling issued by the Judicial Council, it was found that the items to be implemented were not specified, and the ruling of Execution Department ended with stopping the implementation until the judgment issued by the Judicial Council is corrected so it determines the clauses to be executed clearly and precisely for each clause. Also, the ruling the Execution Department stipulated the right to object by the two parties to the execution within a period of thirty days starting from the next day from the date of receiving the verdict copy, and the case is still pending with the concerned courts. The company has decided to provide a provision that covers all losses resulting from that operation in the amount of SR 68,699,441.

5) During the year 2017, the company reversed the increase in the previously formed asset exchange provision, amounting to SR 1,996,283, so that the balance of the asset exchange provision after reversing the increase amounted to SR 66,703,158.

6) On March 6, 2018, the explanatory decision was issued by the Commercial Court in Jeddah, Second Circuit, specifying the items to be implemented as follows:

<u>First:</u> oblige Darb Saudi Investment Company to pay 3 million Saudi riyals to the Al- Sata'ah Modern general Contracting Company.

<u>Second:</u> oblige Darb Saudi Investment Company to effectively waive the entire 134 plots of land with the notary, which it owns by 50% of the entire land in the Al-Mrouj scheme located in Al-Sail Al-Saghir in Al-Taif Governorate, in favor of the Al- Sata'ah Modern General Contracting Company.

<u>Third:</u> Oblige Darb Saudi Investment Company to waive to the Al- Sata'ah Modern General Contracting Company the entire contents of the poultry project and the land on which the project is based, which is owned by Darb Saudi Investment Company.

7) On April 19, 2018, the company filed an appeal with the Commercial Court in Jeddah. On November 5, 2018, the company received a report from a lawyer stating that the appealed judgment was overturned. On November 8, 2018, the company submitted the list objecting to the department's interpretation of the ruling, and on January 9, 2019, the Second Commercial Circuit of the Commercial Court in Jeddah decided to issue its preliminary ruling to adhere to its previous decision dated 19/6/1439 (H) which ruled that the term intended to oblige the parties to the lawsuits to complete the implementation of the contract concluded between them the subject of this case dated 03/03/1432 (H) and on February 24, 2019 (G), the company filed its appeal against the judgment received on January 27, 2019 (G). On 5/7/1442 (H) corresponding to February 17, 2021, the department decided to accept the objection in form and reject it in substance, and support the judgment of the Second Circuit (in the Commercial Court in Jeddah in the case) and the judge decided to implement the items referred to in Clause No. 6. Accordingly, the company decided to increase the provision for potential claims by an amount of SR 17,300,559, which was recorded in the statement of comprehensive income for the year ended on December 31, 2020

8) During the year 2022, a final judgment was issued against Darb Saudi Investment Company, and the company had to implement what was stated in item No. 6 above, accordingly, during the year 2022, the company paid an amount of 3 million Saudi riyals, and the rest of the aforementioned items are being implemented

9) The Company provided a provision for the loss resulting from the bartering asset contract with the Al- Sata'ah Modern General Contracting Company, as the Company's management believes that the assets that are supposed to be receives in barter transaction are not material and there is a significant decrease on them as a result of their obsolescence, and accordingly a provision was provided against them at the book value of performance obligations that the company is committed to providing to the other party as the best estimate of the value of losses according to the information available to the Company's management..

10) In the year 2024, an amount of 47,866,894 Saudi Riyals was excluded, which represents the land of the poultry project and its components, and the allocated fund recorded for these non-current assets held for sale, as the ownership of this land and everything on it was transferred to the Bright Modern Contracting Company on October 9, 2024.

11) The following are the details of the net non-current assets held for sale as a result of the assets exchange agreement with the Al- Sata'ah Modern General Contracting Company.

Description	The transferable book value of the performance obligation according to the barter agreement / June 30, 2026	The transferable book value of the performance obligation according to the barter agreement / December 31, 2025
	(SR)	(SR)
Real estate - Taif lands	9,000,000	9,000,000
Investment in Al-Baha national College	17,136,823	17,136,823
Total	**26,136,823**	**26,136,823**
Provision for potential losses against non-current assets held for sale (*)	(26,136,823)	(26,136,823)
Net	-	-

(*) The movement on the provision for potential losses was as follows:

	June 30, 2026	December 31, 2025
	(SR)	(SR)
Balance at the beginning of the period / Year	26,136,823	26,136,823
Balance at the Ending of the period / Year	**26,136,823**	**26,136,823**

9. Zakat

The movement on the Zakat provision was as follows:

	June 30, 2026	December 31, 2025
	(SR)	(SR)
Balance at the beginning of the period / year	118,197	2,112,527
Charged during period / year	40,759	118,197
Paid during period / year	(118,197)	(2,112,527)
Balance at the end of the period / year	**40,759**	**118,197**

The Zakat status of Darb Saudi Investment and Development Company:

- All zakat and tax returns have submitted until the fiscal year ending on December 31, 2025, and the Company obtained final zakat certificate for the year 2025.
- The final Zakat assessment was made by the Authority for the years from 2014 to 2018 and paid all its Zakat obligations accordingly. For the years 2021, 2022, 2023 and 2024, the Authority issued its final assessment stating that no zakat differences were due.
- During the current financial period, the Company received a letter from the Zakat, Tax and Customs Authority (ZATCA) requesting additional documents to examine the VAT returns for the year 2025, and the Company is in the process of providing the Authority with the requested information. Subsequent to the current interim period, the Company received a letter requesting additional documents for the examination of the Zakat return for the year 2025, and the Company is currently in the process of providing the required information to the Authority..

10. Share capital

According to the Extraordinary General Assembly Meeting held on December 19, 2024, it was decided to absorb part of the accumulated losses amounting to SAR 78,705,000 by reducing the capital. A total of 787,050,000 shares were canceled at a nominal value of 0.10 per share, with a reduction of one share for every 3.77 shares.

The company's capital amounting to SAR 218,295,000 is divided into 2,182,950,000 nominal shares of equal value, each with a nominal value of 0.10 halalas, all of which are ordinary shares. On April 8, 2025, the Extraordinary General Assembly meeting was held and approved the amendment of the nominal value of the share to become SR 1 instead of SR 0.10 per share. Accordingly, the number of shares became 218,295,000 nominal shares instead of 2,182,950,000 nominal shares. All statutory procedures in this respect were completed, and the Articles of Association and Commercial Registration were amended accordingly.

11. Transactions with related parties

a) The following are the benefits and compensation of the Company's key employees and Board of Directors during the period ended:

	June 30, 2026	June 30, 2025
	(SR)	(SR)
Short-term benefits and rewards	973,900	422,458
Long-term benefits	685,090	329,128
Total	**1,658,990**	**751,586**

b) The balance due from a related party amount to SAR 211,195 as at June 30, 2026 represents a fund in custody due from the related party Ibrahim Abdullah bin Kulaib (CEO and Vice Chairman of the Board of Directors).

c) The prices and conditions of transactions with related parties have been approved by management.

12. Basic and diluted earnings (loss) per share to the Company's shareholders

Earnings per share are calculated based on the net results for the period attributable to the Company's shareholders divided by the weighted average number of shares outstanding. Diluted earnings per share are the same as basic earnings per share, as the Company had no dilutive instruments outstanding during the period, as follows:

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026	2025	2026	2025
	(SR)	(SR)	(SR)	(SR)
Net income for shareholders of the Company	2,194,151	1,571,578	3,162,909	2,897,488
Weighted average number of shares	218,295,000	218,295,000	218,295,000	218,295,000
	SAR/SHARE	SAR/SHARE	SAR/SHARE	SAR/SHARE
The basic and diluted earnings per share to shareholders of the Company	0.0101	0.0072	0.0145	0.0133

13. Segments Information

The following is the segment information:

	June 30, 2026			June 30, 2026		June 30, 2026
Description	Assets	Liabilities	Total comprehensive income (loss)	Assets	Liabilities	Total comprehensive income (loss)
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Head quarters	22,502,419	15,173,732	(1,061,663)	22,395,197	16,083,668	(858,359)
Rentals	238,586,196	12,920,024	4,224,572	235,713,642	12,193,221	3,755,847
Total	261,088,615	28,093,756	3,162,909	258,108,839	28,276,889	2,897,488

- The company offers all its services within a defined economic environment (geographical sector) inside the Kingdom of Saudi Arabia.

14. Lawsuits

- A case between Darb Saudi Investment Company and Al Satea Modern General Contracting Company, the details of which are disclosed in Note (8).
- A case filed by Darb Saudi Investment Company against the Company's former Board members for the term from 10 February 2010 to 9 February 2013, before the Capital Market Authority (CMA), claiming joint and several compensations of SAR 100 million. The Capital Market Authority issued its approval for the complaint to be filed with the Committee for the Resolution of Securities Disputes (CRSD). The Company also claimed an amount of SAR 15 million representing legal fees.

  On 23 April 2026, the Company announced the initial ruling issued by the Committee for the Resolution of Securities Disputes (CRSD), which held the defendants jointly and severally liable to pay the plaintiff, Darb Saudi Investment Company (formerly Al-Baha Investment and Development Company), an amount of SR 68,699,441. In addition, the defendants were held jointly and severally liable to pay the plaintiff an amount of SR 500,000 as compensation for legal fees. The defendants filed their appeals with the competent authorities.

  During the subsequent period to the condensed interim financial statements, on 20 July 2026, the Company announced the Appeal Committee's decision upholding the ruling of the Committee for the Resolution of Securities Disputes, and requesting that all competent government departments and authorities act to enforce this decision by all statutory means available. As announced by the Company on July 21, 2026, it received a notification from its legal advisor indicating that six (6) enforcement applications had been filed with the Enforcement Court in Riyadh against former members of the Board of Directors for the period from February 10, 2010 to February 9, 2013.

  Furthermore, as announced on July 23, 2026, enforcement orders were issued by the Enforcement Court in Riyadh obligating the former Board members (for the term from February 10, 2010 to February 9, 2013) to execute the enforceable instrument in the amount of SR 69,199,441 within five days from the date of notification. In the event of non-compliance, legal action will be taken in accordance with the Enforcement Law. On July 28, 2026, the Company announced that it had received a notification from its legal advisor indicating that decisions had been issued pursuant to Article (46) of the Enforcement Law regarding enforcement applications filed against former board members. The Company continues to monitor the proceedings and will disclose any significant developments.
- Cases under consideration filed by the Company and relating to the Elegant Centers Limited branch, concerning rentals and related charges, with claims amounting to SAR 6,672,731. The Company has recognized a provision against the related trade receivables.
- Cases under consideration filed by the Company and relating to the Ishraqah Regional Real Estate Development and Investment branch, concerning rentals and related charges, with claims amounting to SAR 4,787,242. The Company has recognized a provision against the related trade receivables.

15. Subsequent events

Management believes that there are no significant subsequent events since the end of the financial period on June, 30 2026 that could have a material effect on the Company's financial statements, except for the disclosure included in the legal cases note relating to the case against the Company's former Board members.

16. Financial risk management

The Company's principal financial liabilities comprise accounts payable, other payables and amounts due to a related party. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, accounts receivable, other receivables and amounts due from a related party.

- **Liquidity risk**
  - It is the risk of being unable to settle financial obligations that are settled by delivering cash or another financial asset.
  - Liquidity risk is managed by monitoring cash flows and comparing them with the maturity dates of financial assets and financial liabilities.
  - The following are the details of working capital:

	June 30, 2026 (SR)	December 31, 2025 (SR)
Current Assets	9,421,668	4,499,317
Current Liabilities	21,882,885	21,378,890
Net	(12,461,217)	(16,879,573)

  - The working capital deficit amounted to SR 12,461,217 as at June 30, 2026 (SR 16,879,573 as at December 31, 2025). The Company's management does not believe that there are material issues relating to liquidity to meet future obligations.

17. New and Revised International Financial Reporting Standards and Interpretations

a) New and revised IFRSs and interpretations issued that became effective:

The following new and amended IFRS, which became effective for the financial periods commencing on or after 1 January 2026 or thereafter, were followed in the preparation of the Company's financial statements and did not have a material impact on the amounts and disclosures contained in the financial statements in the current period as follows:

Standard / Interpretation	Description	Effective date
Amendments to – IFRS 9 – IFRS 7	Classification and measurement of financial instruments	January 1, 2026
Amendments to: – IFRS 1 – IFRS 7 – IFRS 9 – IFRS 10 – IAS 7	Annual improvements to IFRS Accounting Standards	January 1, 2026

b) New and revised IFRSs and interpretations that are not effective yet

The Company did not adopt any of the following new amended standards that were issued but not yet effective:

Standard / Interpretation	Description	Effective date
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027
Amendments to: IAS 21	Translation to a hyperinflationary presentation currency	January 1, 2027
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
IFRS 10 IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
IFRS S1 IFRS S2	General requirements for the disclosure of sustainability-related financial information Climate-related disclosures	January 1, 2024 (Application is subject to the adoption of the two standards by the regulatory authorities)

The standards, interpretations, and amendments effective as of January 1, 2026, have no material impact on the Company's financial statements. As for the other standards, interpretations, and amendments mentioned above, the Company is currently assessing their impact on the financial statements upon adoption.

c) **Disclosure of the preliminary assessment of the expected impact from the initial application of IFRS 18 "Presentation and Disclosure in Financial Statements"**

The International Accounting Standards Board has issued International Financial Reporting Standard (IFRS) No. 18, "Presentation and Disclosure in Financial Statements," which replaces the presentation and disclosure requirements previously set out in International Accounting Standard (IAS) 1, "Presentation of Financial Statements." This standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted, and is to be applied retrospectively in accordance with the requirements of IAS 8.

The Company has performed a preliminary assessment of the requirements of the standard. Based on the nature of its activities and the concentration of its assets and revenues, the assessment concluded that investment in real estate represents a specified main business activity under the standard. Accordingly, the Company expects to classify income and expenses related to investment properties, as well as other income, within the operating category, while finance costs related to lease liabilities will be classified within the financing category.

Based on the current assessment, the Company does not expect the application of the standard to have a material impact on net profit or equity. The expected impact will primarily relate to the reclassification of certain items within the statement of profit or loss and changes in the presentation of required subtotals, including operating profit and profit before financing costs and Zakat, in addition to providing enhanced disclosures relating to the nature of expenses and aggregation and disaggregation requirements. The Company will also restate comparative information in accordance with the standard.

Management-defined performance measures represent subtotals of income and expenses used in public communications outside the financial statements and reflect management's view of an aspect of the entity's overall financial performance. The Company will be required to disclose specific information relating to such measures in a single note within the financial statements.

The Company is currently in the process of identifying the public communications to be considered when determining management-defined performance measures. These measures will relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures to be disclosed upon application of IFRS 18 will be determined based on the Company's public communications relating to the interim reporting period for the year 2027.

The issuance of IFRS 18 has also introduced consequential amendments to IAS 7, "Statement of Cash Flows," whereby the statement of cash flows prepared using the indirect method will start from operating profit instead of profit before Zakat and income tax. In addition, interest paid related to lease liabilities will be classified within financing activities. The Company does not expect these amendments to affect the net change in cash and cash equivalents, as the impact is limited to reclassification and changes in the starting point of certain items.

Upon initial application of the standard, the Company will restate comparative information and disclose the nature and amounts of transition adjustments, as required by the standard.

Management continues to implement the transition plan to the standard, which includes updating financial statement templates, aligning the chart of accounts with the new presentation line items, completing disclosure requirements, and preparing the necessary comparative information prior to the mandatory effective date.

18. Geopolitical changes

In light of the geopolitical tensions in the region, management continues to monitor the situation to assess any potential risks to supply chains and operational activities. As of the date of approval of these condensed interim financial statements, no material impact on the Company's operations has been identified.

Given the evolving nature of these events, it is currently not possible to reliably measure the potential financial impact. Accordingly, these developments are considered non-adjusting events, and no adjustments have been made in the condensed interim financial statements in this regard.

19. Approval of the interim condensed financial statements

The condensed interim financial statements were approved by the Company's Board of Directors on Safar 17,1448(H) corresponding July 31, 2026(G).

20. General

Amounts presented in the condensed interim financial statements have been rounded to the nearest Saudi Riyal.