EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY)

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

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

EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY)
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

Index	**Pages**

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Ernst & Young Professional Services (Professional LLC)
Paid-up capital (⃁ 5,500,000 – Five million five hundred thousand Saudi Riyal)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMAAR THE ECONOMIC CITY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emaar The Economic City (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statement 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material uncertainty related to going concern

We draw attention to Note 1 of the interim condensed consolidated financial statements, which indicates that the Group incurred a net loss of SR 203 million (30 June 2025: SR 216 million(restated)) and reported a net operating cashflow deficit of SR 150 million during the six-month period ended 30 June 2026 (30 June 2025: SR 174 million (restated)). Moreover, the current liabilities exceeded the current assets by SR 457 million as of 30 June 2026 (31 December 2025: current assets exceeded the current liabilities by SR 134 million(restated)). The Group's ability to achieve sustainable profitability and continue its operations without significant curtailment is highly dependent on the successful execution of management's plans, including obtaining additional funding from shareholders and the sale of properties to generate sufficient cash flows. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other matter

The consolidated financial statements for the year ended 31 December 2025 and the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2025 were respectively audited and reviewed by another auditor who expressed an unmodified audit opinion and review conclusion on 8 April 2026 (corresponding to 20 Shawal 1447H) and 18 August 2025 (corresponding to 24 Safar 1447H), respectively.

INDEPENDENT AUDITOR'S REVIEW REPORT ON
THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY) (continued)

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.

for Ernst & Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. 356

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شركة ارنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Jeddah : 5 Rabi Al-Awwal 1448H
(18 August 2026G)

EMAAR THE ECONOMIC CITY
(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 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2026	2025 *Restated (refer note 21)*	**2026**	2025 *Restated (refer note 21)*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
		⃁	⃁	⃁	⃁
Revenue	5	**126,925**	118,412	**284,294**	322,139
Cost of revenue		**(132,350)**	(137,303)	**(265,891)**	(264,407)
GROSS (LOSS) / PROFIT		**(5,425)**	(18,891)	**18,403**	57,732
Selling and marketing expenses		**(4,269)**	(9,565)	**(19,960)**	(16,493)
General and administrative expenses		**(80,311)**	(93,351)	**(160,066)**	(156,658)
Impairment (loss) / reversal on financial assets and contract assets		**(24,335)**	(9,435)	**(43,651)**	13,351
Amortization of unearned interest		**1,740**	2,708	**3,625**	5,512
Other operating income	8	**178,915**	4,543	**179,343**	20,588
OPERATING PROFIT / (LOSS)		**66,315**	(123,991)	**(22,306)**	(75,968)
Finance income		**1,313**	2,239	**3,162**	2,268
Gain on extinguishment of financial liabilities		**-**	242,839	**-**	242,839
Finance costs		**(67,560)**	(139,700)	**(134,399)**	(287,329)
Share of loss of equity accounted investees	11	**(15,706)**	(69,923)	**(36,501)**	(89,133)
LOSS BEFORE ZAKAT		**(15,638)**	(88,536)	**(190,044)**	(207,323)
Zakat	13	**(6,666)**	(4,500)	**(12,666)**	(9,000)
LOSS FOR THE PERIOD		**(22,304)**	(93,036)	**(202,710)**	(216,323)
OTHER COMPREHENSIVE INCOME / (LOSS)					
Items that will be reclassified to interim condensed consolidated statement of profit or loss in subsequent period:					
Share of other comprehensive income / (loss) of equity accounted investees	11	**4,239**	63	**4,860**	(7,073)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(18,065)**	(92,973)	**(197,850)**	(223,396)
Loss per share:					
Basic and diluted loss per share attributable to equity holders of the Company	6	**(0.03)**	(0.18)	**(0.23)**	(0.41)

Chairman Board of Directors | Chief Executive Officer | Chief Financial Officer

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Notes	**30 June 2026**	31 December 2025
			Restated
			(refer note 21)
		(Unaudited)	*(Audited)*
		⃁	⃁
ASSETS			
Non-current assets			
Property and equipment	7	**5,071,612**	5,113,965
Right-of-use assets		**27,282**	33,422
Investment properties	8	**4,579,557**	4,667,119
Intangible assets		**2,465**	2,723
Investment in equity accounted investees	11	**2,469,612**	2,501,253
Development properties	9	**370,425**	370,425
Unbilled revenue and receivables	14	**699,582**	595,958
Employees' receivable - home ownership scheme		**43,574**	45,630
Total non-current assets		**13,264,109**	13,330,495
Current assets			
Development properties	9	**796,950**	813,988
Unbilled revenue and receivables	14	**329,608**	192,499
Current portion of employees' receivable - home ownership scheme		**3,417**	3,397
Trade receivables and other current assets	10	**805,440**	794,259
Restricted cash		**4,421**	4,421
Cash and cash equivalents		**236,872**	472,897
Total current assets		**2,176,708**	2,281,461
Total assets		**15,440,817**	15,611,956
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	**8,829,299**	8,829,299
Share premium		**502,919**	502,919
Reserve	22	**11,536**	11,536
Accumulated losses		**(265,404)**	(67,554)
Total equity		**9,078,350**	9,276,200
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	**3,589,311**	4,014,431
Lease liabilities		**751**	10,997
Employee benefit obligations		**56,514**	49,597
Zakat liability		**82,327**	113,199
Total non-current liabilities		**3,728,903**	4,188,224

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

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Notes	**30 June 2026** **(Unaudited)** ⃁	31 December 2025 *Restated (refer note 21)* *(Audited)* ⃁
Current liabilities			
Lease liabilities - current portion		**57,530**	62,266
Long-term borrowings - current portion	12	**1,051,043**	535,266
Trade and other payables		**910,338**	923,365
Contract liabilities		**521,872**	527,906
Other provisions		**31,689**	30,229
Zakat provision	13	**61,092**	68,500
Total current liabilities		**2,633,564**	2,147,532
Total liabilities		**6,362,467**	6,335,756
Total equity and liabilities		**15,440,817**	15,611,956

Chairman Board of Directors **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Share capital ⃁	**Share premium** ⃁	**Reserve** ⃁ *(Refer note 22)*	**(Accumulated loss) / Retained earnings** ⃁	**Total equity** ⃁
Balance as at 1 January 2025 (audited)	5,232,599	-	11,536	22,776	5,266,911
Loss for the period (restated)	-	-	-	(216,323)	(216,323)
Other comprehensive loss for the period	-	-	-	(7,073)	(7,073)
Total comprehensive loss for the period	-	-	-	(223,396)	(223,396)
Balance as at 30 June 2025 (unaudited) (restated)	5,232,599	-	11,536	(200,620)	5,043,515
Balance as at 1 January 2026 (as previously stated)	**8,829,299**	**502,919**	**11,536**	**2,401**	**9,346,155**
Effect of restatement (refer note 21)	**-**	**-**	**-**	**(69,955)**	**(69,955)**
Balance as at 1 January 2026 (restated)	**8,829,299**	**502,919**	**11,536**	**(67,554)**	**9,276,200**
Loss for the period	-	-	-	(202,710)	(202,710)
Other comprehensive income for the period	-	-	-	4,860	4,860
Total comprehensive loss for the period	-	-	-	(197,850)	(197,850)
Balance as at 30 June 2026 (unaudited)	**8,829,299**	**502,919**	**11,536**	**(265,404)**	**9,078,350**

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

The accompanying notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

EMAAR THE ECONOMIC CITY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Notes	**For the six-month period ended 30 June 2026** *(Unaudited)* ⃁	For the six-month period ended 30 June 2025 *Restated (refer note 21)* *(Unaudited)* ⃁
Operating activities			
Loss before Zakat		**(190,044)**	(207,323)
Adjustments for:			
Depreciation on property and equipment	7	**105,820**	97,337
Depreciation on investment properties	8	**27,506**	24,625
Depreciation on right-of-use asset		**6,140**	6,139
Impairment loss / (reversal) on financial and contract assets		**43,651**	(13,351)
Amortisation of intangible assets		**359**	518
Finance costs		**134,399**	287,329
Gain on extinguishment of financial liabilities		**-**	(242,839)
Share of results of equity accounted investees	11	**36,501**	89,133
Finance income		**(3,162)**	(2,268)
Gain on disposal of investment properties	8	**(178,542)**	(4,626)
Gain on sale of land to associate		**-**	(64,215)
Impairment reversal on investment properties	8	**(333)**	(665)
Reversal of provisions no longer required		**-**	(13,982)
Interest (income) / loss on unwinding of employees' receivable – home ownership scheme		**(792)**	(268)
Interest income on unwinding of unbilled revenue		**(2,833)**	(5,244)
Impairment reversal on development properties		**(3,229)**	(3,942)
Provision for employee benefit obligation		**6,768**	5,767
		(17,791)	(47,875)
Changes in operating assets and liabilities:			
Development properties		**20,267**	21,415
Unbilled revenue and receivables		**9,878**	77,130
Employees' receivable – home ownership scheme		**2,824**	5,775
Trade receivables and other current assets		**(63,939)**	(200,224)
Restricted cash balances received		**-**	(2,000)
Trade and other payable		**(28,654)**	3,217
Contract liabilities		**(6,033)**	55,830
Other provisions		**1,460**	-
Restricted cash balances		**-**	(487)
Cash used in operations		**(81,988)**	(87,219)
Finance cost paid		**(31,407)**	(46,286)
Zakat paid	13.2	**(34,218)**	(36,500)
Employees' terminal benefits paid		**(1,956)**	(3,650)
Net cash used in operating activities		**(149,569)**	(173,655)

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

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the six-month period ended 30 June 2026
(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

	Notes	**For the six-month period ended 30 June 2026** *(Unaudited)* ⃁	For the six-month period ended 30 June 2025 *Restated (refer note 21)* *(Unaudited)* ⃁
Investing activities			
Finance income received		**3,162**	2,268
Additions to intangible assets		**(101)**	(419)
Additions to property and equipment	7	**(62,262)**	(16,684)
Additions to investment properties	8	**(3,539)**	(5,481)
Proceeds from sale of investment properties		**3,800**	4,841
Net cash used in investing activities		**(58,940)**	**(15,475)**
Financing activities			
Proceeds from loans and borrowings		**-**	421,032
Repayments for loan and borrowings	12	**(12,015)**	-
Interest element of lease repayments		**(3,041)**	-
Payment of principal portion of lease liabilities		**(12,460)**	(2,854)
Net cash (used in) / generated from financing activities		**(27,516)**	418,178
Net (decrease) / increase in cash and cash equivalents		**(236,025)**	229,048
Cash and cash equivalents at the beginning of the period		**472,897**	252,367
Cash and cash equivalents at the end of the period		**236,872**	481,415
Non-cash supplementary information:			
Gain on sale of land to associate		**-**	64,215
Borrowing cost capitalized		**1,205**	9,602
Disposal investment property		**263,559**	-

Chairman Board of Directors **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

1. CORPORATE INFORMATION

Emaar The Economic City (the "Company" or the "EEC") is a Saudi Joint Stock Company incorporated and operating in the Kingdom of Saudi Arabia ("KSA") under Ministerial Decision No. 2533, dated 03 Ramadan 1427H, corresponding to 21 September 2006. The Company obtained its initial Commercial Registration No. 4030164269 (Unified number 7001503056) on 8 Ramadan 1427H, corresponding to 26 September 2006.

The registered office of the Company has been shifted to Rabigh with a revised Commercial Registration No. 4602005884, dated 6 Rabi Awal 1436H, corresponding to 28 December 2014.

As of 30 June 2026 and 31 December 2025, the Company's authorized and issued share capital was Saudi Riyals 8,829.3 million consisting of 882.93 million shares of Saudi Riyals 10 each (2025: 882.93 million shares of Saudi Riyals 10 each), allocated as follows:

	Six-month period ended 30 June 2026		For the year ended 31 December 2025	
	No. of shares' 000	**Capital**	No. of shares' 000	Capital
Issued for cash	**680,000**	**6,800,000**	680,000	6,800,000
Issued for consideration in kind	**170,000**	**1,700,000**	170,000	1,700,000
Issue of shares following the conversion of long-term loan into equity	**643,003**	**6,430,033**	643,003	6,430,033
Decrease in share capital	**(610,073)**	**(6,100,734)**	(610,073)	(6,100,734)
	882,930	**8,829,299**	882,930	8,829,299

The Company's 55.55% shareholding is owned by PIF (the "Parent Company"), which holds a controlling interest in the Company and has the ability to exercise control over its strategic and operational decisions.

These interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group'). The Group is engaged in the development of real estate in the economic or other zones and other development activities including infrastructure, promotion, marketing and sale of land within development areas, transfer/lease of land, development of buildings/housing units, and construction on behalf of other parties. The main activity of the Group is the development of the King Abdullah Economic City ("KAEC").

These interim condensed consolidated financial statements include the results, assets and liabilities of the following registered branches of the Group:

Branch	CR Number
Jeddah	4030164269
Riyadh	1010937549
Rabigh	4602006934

The Company has the following subsidiaries as at 30 June 2026. The Company and its subsidiaries are incorporated in the Kingdom of Saudi Arabia. The subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

1. CORPORATE INFORMATION (continued)

Name	Country of incorporation	Year of incorporation	**Effective ownership as at 30 June 2026**	Effective ownership as at 31 December 2025	Nature of activities
Economic Cities Investments Company Limited ("ECIC")	Kingdom of Saudi Arabia	2010	**100%**	100%	Buying, selling and management of real estate properties and operations of educational and technical institutions.
Industrial Zones Development Company Limited ("IZDCL")	Kingdom of Saudi Arabia	2011	**100%**	100%	Sale/lease, investment, development of real estate development in industrial valley in KAEC.
Economic Cities Real Estate Properties Operation and Management Company ("REOM")	Kingdom of Saudi Arabia	2013	**100%**	100%	Own, purchase, sale, invest, and lease of commercial properties.
Economic Cities Pioneer Real Estate Management Company ("REM")	Kingdom of Saudi Arabia	2013	**100%**	100%	Construction, management, development, operation, lease of residential properties.
Economic Cities Real Estate Development Company ("RED")	Kingdom of Saudi Arabia	2013	**100%**	100%	Own, purchase, sale, investment, development and marketing of real estate development in KAEC.
Emaar Knowledge Company Limited ("EKC")	Kingdom of Saudi Arabia	2015	**100%**	100%	Construct and operate business educational institute in KAEC.

1. CORPORATE INFORMATION (continued)

Going concern

The Group incurred a total loss of SR 203 million for the six-month period ended 30 June 2026 (30 June 2025: SR 216 million(restated)) and as of that date, its current liabilities exceeded current assets by SR 457 million (31 December 2025: current assets exceeds current liabilities by SR 134 million (restated)) and the Group reported a net operating cash flow deficit of SR 150 million (June 2025: SR 174 million (restated)). The Group had incurred significant losses in prior years, which were extinguished in 2024 through capital reduction.

Moreover, the Group's liquidity forecasts indicate that its ability to meet obligations as they fall due and maintain adequate liquidity throughout the assessment period is dependent upon the successful execution of several significant assumptions and planned mitigating actions. These include:

(i) Successful completion and execution of significant deals which are currently under negotiation.
(ii) Successful execution of asset divestment plan and other asset monetization plan included within management's cash flow forecasts.
(iii) Realization of forecasted operating cash inflows from the Group's operating assets and business activities.
(iv) Exercise of the loan conversion option under Shareholder's Loan Agreement – Facility B granted by Public Investment Fund(SHL2) or granting an extension of at least six months to the loan repayment date beyond its original maturity date. and
(v) Continued covenant compliance, and where necessary, the grant of covenant waivers by lenders.

Historically, the Group was also in breach of certain covenants related to its long-term borrowing facilities. During the year ended 31 December 2025, the Group successfully restructured its outstanding debt and was in compliance with most covenants related to its long-term borrowing facilities, except for certain non-financial covenants for which waiver were obtained from lenders till 25 July 2026. Moreover, for these non-financial covenants, management had formally applied for further waiver from the lender and expects that such waivers will be obtained (refer to note 12). Accordingly, no covenant breaches or related events of default have been identified as at the reporting date.

While management believes these assumptions are reasonable and achievable based on the status of ongoing negotiations, historical support received from key stakeholders, available funding arrangements and progress made on identified transactions, the successful outcome of these matters remains dependent on future events and circumstances that are not wholly within the Group's control. Consequently, these matters represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

King Abdullah Economic City ("KAEC" or the "City") was announced in 2005, and development began in 2006. The City is intended to be a hub for various economic sectors, including industry, logistics, and tourism. It is planned to include residential areas, commercial centres, and other amenities, such as schools, hospitals, and recreational facilities. KAEC has faced challenges related to investment and development, besides logistical and infrastructure challenges. Building a city from scratch on a large scale is a complex undertaking. Although, over the years, the Group has done massive development in the City including the Industrial Valley, six distinctive residential districts, multiple fully developed and functional facilities like luxury hotels, 18-hole championship golf course, resorts, beaches, a cinema, yacht club, karting centre, lagoon campsite, art centre, retail, schools, college, medical facilities, labour village etc. However, the scale and long-term nature of the City's development make it financially challenging to generate sufficient cash inflows in the short to medium term to fully fund the continued infrastructure expansion.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

1. CORPORATE INFORMATION (continued)

Going concern (continued)

The Group had in the past significantly reduced its development activities pursuant to the continued overall lower economic activity in KAEC. Debt financing has been utilized to fund the development activities in KAEC and working capital requirements of the Group. The projected operating cash flows of the Group, for the next twelve-months from the approval of these interim condensed consolidated financial statements, are insufficient to meet the repayment of debt and other obligations therefore the successful execution of management's plans to generate sufficient cash flows from additional funding from shareholders and the sale of properties is important to meet both the Group's obligations when they become due and to continue its operations without significant curtailment.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 30 June 2026	Within 1 year	1-2 years	2-5 years	Over 5 years	Total contractual cash flows
Loans and borrowings	***1,113,808**	**21,964**	**1,651,125**	**3,617,892**	**6,404,789**
Trade and other payables	**848,594**	**-**	**-**	**-**	**848,594**
Zakat liability	**78,474**	**61,745**	**20,582**	**-**	**160,801**
Lease liabilities	**60,030**	**774**	**-**	**-**	**60,804**
Total	**2,100,906**	**84,483**	**1,671,707**	**3,617,892**	**7,474,988**

** Loans and borrowing amounting to SR 1.1 billion shown as payable within 1 year contains loan from PIF amounting to SR 821 million which is convertible to equity.*

In assessing the appropriateness of applying the going concern basis in the preparation of these interim condensed consolidated financial statements, the Group's management has developed a plan which covers a period of at least twelve-months from approval of interim condensed consolidated financial statements to enable the Group to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern in both the short and long term.

Despite the successful completion of the Capital Optimization Plan, events or conditions exist that indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In particular, material uncertainties remain regarding the Group's ability to achieve sustainable profitability. As a result, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management has concluded that the Group would not have been able to fully satisfy its cash requirements from the sale of properties alone and accordingly, in such a scenario, the Group will secure additional shareholder funding.

The plan comprises the Group's liquidity and forecasts cash flows taking into account reasonably possible outcomes over a twelve-months period from approval of interim condensed consolidated financial statements. As per the forecasted cash flows, there is a repayment of New Money Facility amounting to SR 270.30 million and accrued interest of SR 21.90 against Tranche A in the next 12 months, as part of the newly restructured syndicated loan in line with the Board approved business transformation plan.

1. CORPORATE INFORMATION (continued)

Going concern (continued)

During the year 2025, the Group and PIF signed SHL2 amounting to SR 1,000 million. SR 500 million have been drawn from this facility during the 2025, however SAR 500 million remains undrawn as at the reporting date. Management plans to utilize the undrawn portion of SHL2 to fund critical development capital expenditures (CAPEX).

Moreover, the planned development CAPEX is intended to activate key areas of the City, which management expects will have a positive multiplier effect on the Group's operating performance. Activation of the City is anticipated to:

- Enhance the overall attractiveness of KAEC to investors and tenants;
- Support the origination of new land sale transactions; and
- Increase footfall within the City, thereby driving higher demand for operating, leasing, and service-based activities.

As a result, management expects an improvement in operating revenues and cash flows from operations over the medium term, supporting the Group's liquidity position.

In parallel, the Group has initiated measures to accelerate the collection of overdue receivables, including enhanced credit controls and focused collection efforts. These actions are expected to further support near-term liquidity and partially bridge the operating funding gap.

Management believes that the below plan will provide sufficient liquidity to fund development activities, support ongoing operations, and meet obligations as they fall due.

- Utilization of the undrawn SHL2 facility,
- Incremental cash inflows from new land sales and enhanced operational activities, and
- Improved collections of outstanding balances.

Accordingly, the Group has prepared a detailed cash flow forecast covering a twelve-month period from approval date of these interim condensed consolidated financial statements, taking into account the utilization of the undrawn SHL2 facility, which indicates a net positive cash flow position. Management believes that the projected net positive cash flows, supported by the utilization of the remaining SHL2 for critical capital expenditures that facilitate property sales, potential conversion of SHL2 loan (subject to regulatory and shareholders' approval) or its restructuring and enhance operating cash flows, together with focused collection efforts on overdue balances, are probable and that the plan is expected to be successfully executed.

In addition to the above, the Group's liquidity forecast also assumes that the SR 821 million shareholder loan including the related accrued interest, where applicable, is not expected to be settled in cash during the going concern assessment period and is expected to be converted into equity. Under the contractual terms, the conversion option is exercisable by PIF and remains subject to applicable regulatory and shareholder approvals. As at the date of authorization of these interim condensed consolidated financial statements, a formal binding commitment to exercise the conversion option or conversion notice have not been received from PIF.

1. CORPORATE INFORMATION (continued)

Going concern (continued)

Management considers conversion to be a reasonable expectation based on various factors including PIF's 55.55% controlling interest in the Company, the conversion of approximately SR 4.1 billion of shareholder debt into equity during 2025, the additional SR 1.0 billion shareholder facility provided in 2025, PIF's participation in the Group's wider capital optimization and debt restructuring arrangements, and the approval of the Group's forecast by the Board of Directors, including PIF-appointed directors. These factors provide evidence of historical and continuing shareholder support but do not constitute a legally enforceable commitment by PIF to convert the outstanding loan.

If the loan is not converted or its repayment is not otherwise deferred, the Group would be required to settle the amount in accordance with its contractual terms. Management's downside analysis indicates that repayment of the loan, together with non-availability of the remaining SR 500 million under the shareholder facility, would result in a significant liquidity shortfall during the assessment period. In that event, the Group would need to obtain alternative shareholder or third-party funding, secure an extension or restructuring of the repayment terms, accelerate asset monetization and collections, or further defer planned expenditure. The availability and timely execution of these measures are not wholly within the Group's control.

Accordingly, although management considers the going concern basis of accounting appropriate, the absence of a binding commitment from shareholder to exercise the conversion option, together with the Group's dependence on successfully execution of asset divestment and other asset monetization plan, completion of significant forecast deals, additional shareholder funding and lender support, represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The interim condensed consolidated financial statements do not include adjustments that would be required if the Group were unable to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required for the full set of annual financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, the results for the six-months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

2.2 Material accounting policies

The accounting policies adopted by the Group for the preparation of these interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis, unless stated otherwise.

2.4 Functional and presentation currency

The Group's interim condensed consolidated financial statements are presented in Saudi Arabian Riyals, which is also the Group's functional currency.

3. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future period.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future period.

The significant judgments made by management in applying the Group's accounting policies and the key assumptions concerning the future and other key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements for the year ended 31 December 2025, except during the period, the management reassessed the potential impact of evolving regional geopolitical developments, ongoing economic slowdown, and heightened market uncertainties on the Group's operations and asset valuations. As part of this reassessment, management performed an updated impairment assessment considering the latest macroeconomic conditions, geopolitical developments in the region, including implications arising from the ongoing conflict, and the continued application of significant judgment in forecasting future performance and cash flows.

Based on the updated assessment performed, management concluded that there is significant headroom between the recoverable amounts and carrying values of the relevant cash-generating units and assets, and accordingly no material impairment impact has been identified in these interim condensed consolidated financial statements for the period ended 30 June 2026.

Management continues to closely monitor these developments and maintains a robust operational framework to manage associated risks. However, given the evolving nature of the regional and global economic environment, management will continue to assess any potential long-term impact on the Group's business, operations, and asset valuations at future reporting dates.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED

Standards, interpretations and amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into 5 defined categories based on the entity's main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

Structure of the Statement of Profit or Loss

The standard is expected to result in changes to the presentation of certain line items and subtotals in the statement of profit or loss namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the entity.

Based on the Group's preliminary assessment, and the nature of its main business activities, performed to date, the Group expects changes to the current structure of Statement of Profit or Loss to result in:

- The Group's share of results of its associates is currently presented outside operating profit. Under IFRS 18 it will be classified within the new investing category and, accordingly, will be excluded from operating profit and included within profit or loss before financing and income taxes.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED (continued)

Standards, interpretations and amendments issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

Structure of the Statement of Profit or Loss (continued)

- Interest expense on the Group's end-of-service benefit obligation will be classified and presented within the financing category.
- Interest expense on lease liabilities will continue to be classified within the financing category; no change is expected.
- Bank charges relating to the Group's operating banking activities will be classified within the operating category instead of financing activities.
- The Company expects the Zakat to be presented in income tax category of IFRS 18 hence, there is no change from existing presentation under IAS 1.

1- Aggregation and disaggregation

The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary. The Company is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics. Certain profit or loss line items description and aggregations may change to provide useful structured summaries and disclose of additional material information would be included in the notes. The Company also expects expanded disclosure requirements relating to the aggregation and disaggregation of information. The Company is also assessing line items currently labelled as "other" and will use more informative labels that describes the aggregated items as precisely as possible.

2- Management Performance Measures "MPMs"

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

The Group is in the process of identifying which measures used in its public communications (including investor presentations, earnings releases) will meet the definition of an MPM under IFRS 18 and accordingly, the Group will comply with the IFRS 18 disclosure requirements in this regard.

3- Consequential amendments

The Group is also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting. The Group currently uses profit for the year / period as a starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under IFRS 18. Cash flows from interest received and dividends paid will continue to be classified as investing and financing activities, respectively.

The Group assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED (continued)

Standards, interpretations and amendments issued but not yet effective (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting periods, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards as endorsed in "KSA".

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Translation to a Hyperinflation Presentation Currency- Amendments to IAS 21
In November 2025, the IASB issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. The Group does not anticipate that the amendments will have a material effect on the Group's interim condensed consolidated financial statements.

IFRS 20 - Regulatory Assets and Regulatory Liabilities
On 27 May 2026, the IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities. IFRS 20 sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense. IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, such as IFRS 15. Such information enables users of financial statements to understand the total allowed compensation for regulatory goods or services supplied in each reporting periods and the related rights and obligations. Narrow-scope amendments have been made to a number of accounting standards, including IFRS 1, IFRS 3 Business Combinations and IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 20, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2029 and is applied either retrospectively in accordance with IAS 8 or using the modified retrospective approach which includes certain transition reliefs from the application of IAS 8. Early adoption is permitted and has to be disclosed. The Group is currently assessing implications on the interim condensed consolidated financial statements of the Group on adoption of IFRS 20 and the consequential amendments

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

5. REVENUE

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Types of revenue from contracts with customers:				
Sale of development properties	**18,472**	20,145	**41,427**	131,595
Utilities and other related services ("City operations")	**52,149**	37,766	**118,892**	69,499
Accommodation	**9,666**	16,218	**20,802**	27,543
Tuition and other fees ("Education")	**21,774**	16,458	**52,190**	38,015
Food and beverages and other related services	**2,231**	3,883	**5,120**	7,325
Leisure services	**1,853**	1,726	**3,809**	4,158
Total	**106,145**	96,196	**242,240**	278,135
Timing of revenue recognition				
Over time	**103,914**	91,939	**236,592**	269,981
Point-in-time (*)	**2,231**	4,257	**5,648**	8,154
Revenue from contract with customers	**106,145**	96,196	**242,240**	278,135
Lease rental income				
Industrial	**17,364**	16,646	**35,764**	33,215
Residential	**3,416**	5,570	**6,290**	10,789
Total lease rental income	**20,780**	22,216	**42,054**	44,004
Total revenue	**126,925**	118,412	**284,294**	322,139

(*) Revenue from point-in-time includes food and beverage services.

6. LOSS PER SHARE

Loss per share has been calculated by dividing the loss for the period attributable to the owners of the Company by the weighted average number of shares outstanding during the period. The Company does not have any dilutive potential share and therefore diluted loss per share is the same as basic loss per share.

6. LOSS PER SHARE (continued)

The loss per share calculation is given below:

	Three-month period ended June 30		Six-month period ended June 30	
	2026	2025 *Restated (refer note 21)*	**2026**	2025 *Restated (refer note 21)*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Loss for the period attributable to owners of the Company (Saudi Riyals '000')	**(22,304)**	(93,036)	**(202,710)**	(216,323)
Weighted average number of ordinary shares (in thousands)	**882,930**	523,259	**882,930**	523,259
Loss per share (Saudi Riyals) - Basic and Diluted	**(0.03)**	(0.18)	**(0.23)**	(0.41)

* During the year 2025, the Company increased its share capital from SR 5,232,599,090 to SR 8,829,299,050.

7. PROPERTY AND EQUIPMENT

	For the six-month period ended 30 June 2026 ***(Unaudited)***	For the year ended 31 December 2025 *(Audited)*
Cost:		
At the beginning of the period/year	**7,498,821**	7,382,387
Additions during the period/year	**63,467**	118,718
Disposal	-	(2,284)
At the end of the period/year	**7,562,288**	7,498,821
Accumulated depreciation and impairment:		
At the beginning of the period/year	**2,384,856**	2,389,007
Depreciation charge for the period/year	**105,820**	205,160
Impairment reversal	-	(207,027)
Disposal	-	(2,284)
At the end of the period/year	**2,490,676**	2,384,856
Net book value at the end of the period / year	**5,071,612**	5,113,965

a) During the period ended 30 June 2026, SR 1.2 million (2025: SR 16.4 million) was capitalized as borrowing cost on certain ongoing infrastructure projects.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

7. PROPERTY AND EQUIPMENT (CONTINUED)

b) In performing its impairment assessment, management considered whether the prolonged development period represented an indicator of impairment. The Group has relied on the impairment assessment performed as of 31 December 2025 and updated its assessment for changes in facts and circumstances during the period. Management believes that the recoverable value of the Group's properties and infrastructure assets has not significantly changed from the assessment performed for the purpose of the Group's last audited consolidated financial statements for the year ended 31 December 2025. Based on the latest approved development plans, forecast utilisation of the related infrastructure and updated impairment assessment performed, management concluded that the carrying amount of these assets remains recoverable and accordingly no impairment charge was recognised during the six-month period ended 30 June 2026.

8. INVESTMENT PROPERTIES

	For the six-month period ended 30 June 2026 *(Unaudited)*	For the year ended 31 December 2025 *(Audited)*
Cost:		
At the beginning of the period / year	**5,094,474**	5,088,838
Additions during the period / year	**3,539**	12,065
Disposals during the period / year (see note (c) below)	**(65,143)**	(6,429)
At the end of the period/year	**5,032,870**	5,094,474
Accumulated depreciation and impairment:		
At the beginning of the period / year	**427,355**	489,290
Depreciation charge for the period / year	**27,506**	48,220
Reversal of impairment	**(333)**	(109,483)
Disposals during the period / year (see note (c) below)	**(1,215)**	(672)
At the end of the periods / year	**453,313**	427,355
Net book value at the end of the period / year	**4,579,557**	4,667,119

a) Included within investment properties as at 30 June 2026 is capital work in progress amounting to SR 1,018 million (31 December 2025: SR 1,018 million) which represents assets under construction relating to commercial centre expansion and infrastructure development work on the land parcels.

b) As at 30 June 2026 the Group's investment properties with a carrying amount of SR 923 million (31 December 2025: SR 923 million) were mortgaged as collateral against loans and borrowings.

c) During the period ended 30 June 2026, the Group sold 1,317,794 sqm of land classified as investment property for consideration of SAR 263.56 million. The carrying amount of the sold land was SAR 60.88 million, resulting in a gross gain on disposal of SAR 202.68 million. As the consideration is receivable over four years, the transaction was adjusted for the significant financing component, resulting in a gain of SAR 177.83 million, which has been recognized within other income in the interim condensed consolidated statement of profit or loss.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

8. INVESTMENT PROPERTIES (continued)

d) Following is the fair value and carrying amount of investment properties held for various purposes:

	Fair value		Carrying amount	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
Rental income	**9,559,095**	9,564,252	**1,850,572**	1,877,252
Currently undetermined future use	**30,554,099**	30,933,224	**2,728,985**	2,789,867
	40,113,194	40,497,476	**4,579,557**	4,667,119

e) As at 30 June 2026 and 31 December 2025, the Group has no contractual obligation for future repairs and maintenance which are not recognized as liability.

The Group has relied on the impairment assessment performed as of 31 December 2025. Management of the Group believes that the recoverable value of the Group's properties didn't significantly change from the assessment performed for the purpose of the Group's last audited consolidated financial statements for the year ended 31 December 2025, up to the six-month period ended 30 June 2026.

9. DEVELOPMENT PROPERTIES

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Costs incurred to-date	**1,350,270**	1,505,987
Less: cost relating to sale of residential units*	**(20,278)**	(155,728)
	1,329,992	1,350,259
Less: provision for development properties	**(162,617)**	(165,846)
Total	**1,167,375**	1,184,413
Current portion of development properties	**796,950**	813,988
Non-current portion of development properties	**370,425**	370,425
Total	**1,167,375**	1,184,413

*Cost relating to sale of residential units from development properties are recognised as expense within cost of revenue.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Financial assets		
Trade receivables	**885,703**	804,068
Less: impairment on trade receivables	**(421,774)**	(369,014)
Amounts due from related parties	**28,968**	12,869
	492,897	447,923
Others financial assets	**60,838**	85,232
	553,735	533,155
Non-financial assets		
Prepayments	**24,723**	23,579
Advances to suppliers	**78,445**	95,914
VAT receivable	**142,283**	132,326
Others non-financial assets	**6,254**	9,285
	251,705	261,104
Trade receivables and other current assets	**805,440**	794,259

11. INVESTMENT IN EQUITY ACCOUNTED INVESTEES

The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The entities are incorporated in the Kingdom of Saudi Arabia which is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	Effective ownership interest (%)		**Amount (⃁)**	
	30 June 2026	31 December 2025	**30 June 2026** *(Unaudited)*	31 December 2025 *Restated (refer note 21)* *(Audited)*
Investment in Ports Development Company "PDC" (see note (a) below)	**50%**	50%	**2,338,076**	2,366,547
Investment in Biyoutat Progressive Company for Real Estate Investment & Development ("Biyoutat") (see note (b) below)	**20%**	20%	**45,790**	45,790
Investment in Albilad Tourism Fund (see note (c) below)	**41.15%**	41.15%	**85,746**	88,916
			2,469,612	2,501,253

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

11. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

a) Investment in PDC - Joint Venture

PDC is a closed joint stock company and is principally engaged in the development, finance, operation and maintenance of the King Abdullah Port through its own and third parties' resources. The Group has performed an assessment of the criteria to determine whether the Group has control over the company and concluded that the Group does have joint control over the investee.

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Beginning of the period / year	**2,366,547**	2,456,361
Share of loss for the period / year	**(33,331)**	(79,743)
Share of other comprehensive profit / (loss) for the period / year	**4,860**	(10,071)
End of the period / year	**2,338,076**	2,366,547

On 20 December 2023, the National Container Terminal ("NCT") declared Force Majeure ("FM"), followed by a detailed report on 31 December 2023, citing the immediate suspension of services by its main customer, MSC. This decision was in response to Houthi attacks on merchant ships passing through the Bab al-Mandab Strait in the Red Sea.

NCT noted that MSC contributes approximately 90% of its throughput, primarily through transshipment containers, which will be lost due to the suspension or rerouting of MSC services. As a result, NCT has asserted that the security crisis in the Red Sea and MSC's suspension will impact its Concession Agreement ("CA") obligations, particularly regarding the Minimum Charge Guarantee ("MCG").

Following this, PDC reached a settlement agreement with NCT, under which NCT will pay PDC 50% of the Minimum Charge Guarantee that would have been payable to the Granter had the Red Sea disruption not occurred. This settlement has led to a significant reduction in PDC's revenue and cashflow for 2025 and 2026.

a) Investment in PDC - Joint Venture (continued)

As a result of this development, an objective indication of impairment existed in the Group's interim condensed consolidated financial statements. Accordingly, an impairment assessment was conducted to evaluate the recoverable amount of the related assets. The assessment concluded that no impairment was required, as the recoverable amount remained well above the carrying value, with sufficient headroom.

b) Investment in Biyoutat - Associate

Biyoutat is a limited liability company which was incorporated in 2016. It is principally engaged to build, own and manage a residential compound at KAEC. The Company has not yet started its operations. Hence, the share of results of Biyoutat for the period are insignificant for the Group.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

11. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

c) Investment in Albilad Tourism Fund - Associate

During 2023, the Group invested in the Albilad Tourism Fund (the "Fund"). The Group entered into a property sale agreement to sell a prime beachfront land plot, in Murooj Golf Community District in KAEC, as an in-kind contribution to the Fund.

In return for the land sale, the Group acquired units in the Fund amounting to SR 269.2 million, representing 41.15% of the Fund's equity. The Fund's term is 12 years and is extendable up to 3 additional years. The Group has performed an assessment of the criteria to determine whether the Group has control over the Fund and concluded that the Group does not have control, but significant influence over the Fund. Accordingly, the Fund is being accounted as equity investment in the interim condensed consolidated financial statements for the six-month period ended 30 June 2026.

	30 June 2026	31 December 2025
		Restated
		(refer note 21)
	(Unaudited)	*(Audited)*
Opening balance of investment	**88,916**	209,655
Elimination of share of profit on contribution of land (*)	**-**	(45,715)
	88,916	163,940
Share of loss for the period	**(3,170)**	(75,024)
Closing investment	**85,746**	88,916

(*) The amount pertains to profit derived by the Group on contribution of land to the Fund.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

12. LONG-TERM BORROWINGS

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Facility from local banks	**-**	3,317,894
Accrued commission	**-**	561,516
Short term loan	**-**	150,000
Repayment of loan	**-**	(78,968)
Gain on extinguishment of financial liabilities	**-**	(269,307)
	-	3,681,135
Restructured to a syndicated facility (Note (a) below)	**-**	(3,681,135)
Facility from local banks	**-**	3,484,389
Accrued commission before restructuring	**-**	196,746
Restructured syndicated facility	**3,770,611**	3,681,135
Accrued commission after restructuring	**86,456**	161,424
Repayment of loan	**(12,015)**	(19,542)
Payment of accrued commission	**-**	(52,406)
Total restructured facility	**3,845,052**	3,770,611
Current portion	**(255,741)**	(278,411)
Non-current portion	**3,589,311**	3,492,200
Facility from a shareholder (Note (b) below)	**-**	958,252
Accrued commission	**256,856**	505,220
Novated from MoF	**-**	2,911,604
Converted to equity	**-**	(4,118,221)
	256,856	256,855
Current portion	**(256,856)**	(256,855)
Non-current portion	**-**	-
Facility from a shareholder (Note (c) below)	**500,000**	500,000
Accrued commission	**38,446**	22,231
	538,446	522,231
Current portion	**(538,446)**	-
Non-current portion	**-**	522,231
Total long-term borrowings	**4,640,354**	4,549,697
Current portion of borrowings	**(1,051,043)**	(535,266)
Non-current portion of long-term borrowings	**3,589,311**	4,014,431

12. LONG-TERM BORROWINGS (continued)

For certain covenants, management had formally applied for extensions from the lenders. The Group has obtained extension letters from the lenders approving these covenant extensions and is applicable till 25 July 2026. Accordingly, no covenant breaches or related events of default have been identified as at the reporting date. As per cash flow forecast and budget, the Group does not expect to comply with certain covenants within 12 months after the reporting date for which the covenant waiver has already been requested from the lenders. The Group is expecting to receive the covenant waiver extension by end of third quarter of 2026.

a) On 27 April 2025, the Group entered a binding Murabaha Syndicated facility agreement with local banks. The facility is split into tranche A (SR 400 million) and tranche B (SR 2,992 million) with a profit rate based on SAIBOR plus a fixed margin, due to the possibility of extending the maturity date for the tranche B facility, the different rates and the capitalisation of tranche B. As part of the restructuring, a New money facility loan has been made available to the Group by the Banks under binding agreements, with a total commitment of SR 287 million.

   The new rescheduled term is until 31 December 2033 with repayment instalments due on an annual basis from 31 December 2029 until 31 December 2033, with the possibility based on the agreement of the Banks and the Company to extend the tranche B facility maturity date until 31 December 2036.

   On 11 March 2026, the Group has applied for an extension of the maturity of New money facility, which has been approved by the lenders. Pursuant to the amended terms the loan facility is repayable as a single bullet payment on 30 June 2027.

b) During the year 2025, the Group completed a debt-to-equity conversion with Public Investment Fund ("PIF"), whereby the outstanding shareholder loan was settled through the issuance of shares following shareholder approval on 22 December 2025. As at 30 June 2026, there is no remaining principal outstanding under the facility, and only accrued markup remains payable, representing finance costs relating to the period from 01 January 2025 up to the date of conversion approval.

c) During the year 2025, the Group entered into a binding agreement with the PIF to make available a SR 1,000 million, payable in April 2027, with a potential conversion into equity that remains subject to regulatory and shareholders' approvals. Accordingly, the conversion arrangement is not yet legally enforceable. The loan facility will be used to finance critical strategic capital expenditures of the Group to enable revenue generation. As of 30 June 2026, SR 500 million funds have been drawn from this facility.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

13. ZAKAT

Movement in provision

The movement in the Zakat provision is as follows:

	30 June 2026 ***(Unaudited)***	31 December 2025 *(Audited)*
At the beginning of the period / year	**68,500**	48,209
Charge for the period / year	**12,666**	22,188
Transfer to liability (see note 13.2)	**(20,074)**	-
	(7,408)	22,188
Payments during the period / year	**-**	(1,897)
At the end of the period / year	**61,092**	68,500

13.1 Components of zakat base

The Company and its fully owned Saudi Arabian subsidiaries file zakat declarations on a consolidated basis in accordance with the regulations of the ZATCA. The significant components of the zakat base under zakat and income tax regulation are principally comprised of shareholders' equity, provisions at the beginning of period, loans and borrowings and estimated income subject to zakat, less deductions for the net book value of property and equipment, investment properties and certain other items. Zakat is payable at 2.58% of approximate zakat base (excluding adjusted net income for the period) and at 2.5% of the adjusted net profit for the period.

13.2 Status of final assessments

There have been no changes to the status of open zakat assessments as of 30 June 2026, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2025, except for the final assessment received for the year 2014, which resulted in a transfer of SR 20 million from zakat provision to zakat liability.

During the six month period ended 30 June 2026, SR 34 million was paid from the zakat liability which is included in trade and other payables.

13.3 Zakat Liability

Non-current portion is based on an instalment plan agreed with ZATCA (refer to Note 1).

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

14. CONTRACT ASSETS AND UNBILLED REVENUE

a) Contract assets against sale of development property:

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Contract assets against sale of development property	**959,514**	741,046
Less: impairment on contract assets	**(74,853)**	(84,337)
Less: current portion of contract assets	**(185,079)**	(60,751)
Non-current portion of contract assets*	**699,582**	595,958

** Non-current portion of unbilled revenue has been adjusted with the impact of significant financing component.*

b) Unbilled revenue against leasing:

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Unbilled revenue against leasing	**158,862**	145,707
Less: impairment on unbilled revenue against leasing	**(14,333)**	(13,959)
Unbilled revenue against leasing - current portion	**144,529**	131,748

Total contract assets and unbilled revenue:

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Contract assets and unbilled revenue	**1,029,190**	788,457
Less: current portion of contract assets	**(329,608)**	(192,499)
Non current portion of contract assets	**699,582**	595,958

c) Movement in impairment on unbilled revenue against leasing

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
At the beginning of the year	**13,959**	12,486
Charge for the year	**374**	1,473
At the end of the year	**14,333**	13,959

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

14. CONTRACT ASSETS AND UNBILLED REVENUE (continued)

d) Movement in impairment on contract asset against sale of development property

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
At the beginning of the year	**84,337**	26,097
(Reversal) / Charge for the year	**(9,484)**	58,240
At the end of the year	**74,853**	84,337

Rental income from operating leases is recognised on a straight-line basis over the lease term. Where rental income recognised exceeds the amounts billed to tenants at the reporting date, the excess is recorded as unbilled revenue.

The Group assesses credit risk associated with tenants and recognises an allowance for expected credit losses where required.

Contract assets primarily relate to the Group's right to consideration for performance completed to date in respect of the sale of development properties where the right to bill the customer has not yet arisen as at the reporting date. Contract assets are transferred to trade receivables when the Group's right to consideration becomes unconditional, which generally occurs when an invoice is issued to the customer.

In respect of the sale of development properties, the Group obtains collateral from customers in the form of promissory notes or bank guarantees. The minimum collateral obtained generally corresponds to the fair value of the property sold, as legal title to the property is transferred to the customer only upon receipt of the full contract consideration. The fair value of the underlying property is considered in estimating the loss given default (LGD) when determining expected credit losses (ECL) on contract assets.

15. RELATED PARTY TRANSACTIONS

Related parties comprise the shareholders having control, key management personnel of the Group, entities controlled, jointly controlled or significantly influenced by such parties.

The Government of the Kingdom of Saudi Arabia controls the Public Investment Fund (PIF), which exercises control over the Group through its increased shareholding of 55.55% following the debt to equity conversion approved by the shareholders. As a result, the Government of Saudi Arabia, semi-Government and other entities with Government ownership or control, including, but not limited to ministries, regulatory bodies and authorities are related parties of the Group. In accordance with the exemption in IAS 24, the management has adopted a partial exemption for disclosure of transactions and balances for government-related entities as required under IAS 24.

15. RELATED PARTY TRANSACTIONS (continued)

The related parties, other than subsidiaries and associates, include the following:

Name	Relationship
Ports Development Company	Joint Venture
Biyoutat Progressive Company for Real Estate Investment & Development	Associate
RIXOS – AlBilad Tourism Fund	Associate
Public Investment Fund (PIF)	The Parent Company
Various Government related entities	

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

15. RELATED PARTY TRANSACTIONS (continued)

In addition to Notes 11 and 12, following are the details of major related party transactions during the period and the related balances at period / year end:

Related party	Nature of transactions	Amount of transactions for the three-month period ended		Amount of transactions for the six-month period ended		Balance as at	
		30 June 2026 **(Unaudited)**	30 June 2025 (Unaudited)	**30 June 2026** **(Unaudited)**	30 June 2025 (Unaudited)	**30 June 2026** **(Unaudited)**	31 December 2025 (Audited)
Amounts due from related parties							
Government related entities	Lease, service and utility charges	**13,716**	7,092	**43,332**	10,422	**28,256**	12,168
RIXOS Albilad Tourism Fund	Contribution of land to the fund	**-**	4,175	**-**	72,105	**-**	**-**
Biyoutat Progressive Company for Real Estate Investment & Development	Lease, Service and Utility Charges	-	-	-	-	**402**	402
Ports Development Company	Lease, Service and Utility Charges	-	-	-	-	**180**	180
Key Management Personnel							
	Sale of Properties, Utilities and Service Charges	-	38	-	38	-	-
Board of Directors							
	Lease, Service and Utility Charges	**4**	4	**9**	9	**130**	119

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

15. RELATED PARTY TRANSACTIONS (continued)

Related party	Nature of transactions	Amount of transactions for the three-month period ended		Amount of transactions for the six-month period ended		Balance as at	
		30 June 2026 (Unaudited)	30 June 2025 *(Unaudited)*	**30 June 2026 (Unaudited)**	30 June 2025 *(Unaudited)*	**30 June 2026 (Unaudited)**	31 December 2025 *(Audited)*
Amounts due to related parties							
Government related entities	Services received	**14,006**	15,528	**108,073**	19,142	**15,820**	9,396
Public Investment Fund	Loan	**-**	500,000	**-**	500,000	**500,000**	500,000
	Accrued interest	**8,128**	79,346	**16,216**	147,554	**295,302**	279,086
Key Management Personnel							
	Remuneration	**8,291**	6,515	**15,951**	12,141	**-**	-
	Lease, Service and Utility Charges		-	**-**	-	**-**	-
Board of Directors							
	Remuneration and meeting fees	**1,275**	1,378	**2,550**	2,755	**2,550**	5,510
	Advances	**-**	-	**-**	-	**16**	16

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

15. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel of the Group

	Amounts of transactions for the three-month period ended		Amounts of transactions for the six-month period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	(Unaudited)		*(Unaudited)*	
Short-term employee benefits	**3,725**	3,466	**7,450**	6,280
Non-monetary benefits	**57**	17	**114**	17
Post-employment benefits	**4,202**	2,725	**7,773**	5,231
Other employment benefits	**307**	307	**614**	613
	8,291	6,515	**15,951**	12,141

Key management personnel comprise Chief Executive Officer and heads of departments. Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

16. CONTINGENT LIABILITIES AND COMMITMENTS

There have been no changes in contingent liabilities and commitments, as at 30 June 2026, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2025, except as mentioned below:

(a) The Group has outstanding commitments related to future expenditure for the development of KAEC in the coming few years related to property and equipment, investment properties and development properties amounts to SR 872 million, SR 17.59 million and SR 13.50 million respectively (31 December 2025: SR 365.11 million, SR 12.02 million and SR 17.2 million respectively).

(b) The Group's share in the capital commitments of the joint venture is SR 8.08 million (31 December 2025: SR 9.82 million).

17. SEGMENT REPORTING

Basis of segmentation

For management purposes, the Group has five strategic divisions, which are its operating segments. These divisions offer different products and/or services and are managed separately. Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (BOD) and CEO, (together chief operating decision maker, CODM). The CODM assesses the financial performance and position of the Group and makes strategic decisions including resource allocation.

The CODM primarily uses a measure of profit / loss before tax to assess the performance of the operating segments. However, the CODM also receives information about the segments' revenue on a quarterly basis.

17. SEGMENT REPORTING (continued)

Basis of segmentation (continued)

The profit / loss before tax of the Group's operating segments reported to the CODM are measured in a manner consistent with that in condensed interim consolidated statement of profit or loss and other comprehensive income. Hence, a reconciliation is therefore not presented separately.

Finance income and costs are not allocated to operating segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Reportable segments	Operations
Residential business	Includes revenue from sale/lease rental income of land and units for residential purposes.
Industrial development	Includes revenue from sale/lease rental income of land and units for commercial purposes and situated in industrial zone.
Hospitality and leisure	Includes room rent, food and beverages and other related services from operations of hotels, resorts and other leisure clubs.
Education services	Includes revenue from tuition and other fees from schools and colleges operated by the Group.
City operations	Includes revenue from utilities and other city management services by the Group in KAEC.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

17. SEGMENT REPORTING (continued)

Interim condensed consolidated statement of profit or loss and other comprehensive income:

	Residential Business	Industrial Development	Hospitality and Leisure	Education	City Operations	Total Segment	Adjustments and Eliminations	Consolidated
For the six-month period ended: **30 June 2026** ***(Unaudited)***								
Revenue								
External customers	**89,466**	**41,695**	**32,342**	**52,391**	**68,400**	**284,294**	**-**	**284,294**
Inter-segment	**21**	**-**	**8,520**	**-**	**-**	**8,541**	**(8,541)**	**-**
	89,487	**41,695**	**40,862**	**52,391**	**68,400**	**292,835**	**(8,541)**	**284,294**
Results								**-**
Cost of development properties and services recognised as an expense	**(23,886)**	**(71)**	**(26,008)**	**(16,762)**	**(67,058)**	**(133,785)**	**(5,948)**	**(139,733)**
Impairment loss/ (reversal) on financial assets	**6,629**	**(14,789)**	**-**	**(360)**	**(35,131)**	**(43,651)**	**-**	**(43,651)**
Finance costs	**(18)**	**-**	**(757)**	**(602)**	**-**	**(1,377)**	**(133,022)**	**(134,399)**
Finance income	**-**	**-**	**-**	**-**	**-**	**-**	**3,162**	**3,162**
Depreciation	**(25,686)**	**(16,513)**	**(28,837)**	**(7,151)**	**(5,242)**	**(83,429)**	**(56,037)**	**(139,466)**
Amortisation	**-**	**-**	**-**	**-**	**-**	**-**	**(359)**	**(359)**
Share of results of equity accounted investee	**-**	**-**	**-**	**-**	**-**	**-**	**(36,501)**	**(36,501)**
Other expenses – net	**166,649**	**(8,146)**	**(7,237)**	**(35,636)**	**(3,813)**	**111,817**	**(95,208)**	**16,609**
Profit / (loss) before zakat	**213,175**	**2,176**	**(21,977)**	**(8,120)**	**(42,844)**	**142,410**	**(332,454)**	**(190,044)**
Zakat	**-**	**-**	**-**	**-**	**-**	**-**	**(12,666)**	**(12,666)**
Profit / (loss) for the period	**213,175**	**2,176**	**(21,977)**	**(8,120)**	**(42,844)**	**142,410**	**(345,120)**	**(202,710)**

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

17. SEGMENT REPORTING (continued)

Interim condensed consolidated statement of profit or loss and other comprehensive income:

	Residential Business	Industrial Development	Hospitality and Leisure	Education	City Operations	Total Segment	Adjustments and Eliminations	Consolidated
For the three-month period ended:								
30 June 2026 *(Unaudited)*								
Revenue								
External customers	30,438	20,869	26,970	21,974	26,674	126,925	-	126,925
Inter-segment	9	-	4,253	-	-	4,262	(4,262)	-
	30,447	20,869	31,223	21,974	26,674	131,187	(4,262)	126,925
Results								-
Cost of development properties and services recognised as an expense	2,074	27	(24,204)	(8,139)	(36,437)	(66,679)	(2,955)	(69,634)
Impairment loss/ (reversal) on financial assets	(641)	(6,177)	-	(104)	(17,413)	(24,335)	-	(24,335)
Finance costs	(5)	-	(411)	(257)	1	(672)	(66,888)	(67,560)
Finance income	-	-	-	-	-	-	1,313	1,313
Depreciation	(12,706)	(8,026)	(14,505)	(3,575)	(2,641)	(41,453)	(27,898)	(69,351)
Amortisation	-	-	-	-	-	-	(132)	(132)
Share of results of equity accounted investee	-	-	-	-	-	-	(15,706)	(15,706)
Other expenses – net	176,057	(3,793)	(6,122)	(17,937)	(1,849)	146,356	(43,514)	102,842
Profit / (loss) before zakat	195,226	2,900	(14,019)	(8,038)	(31,665)	144,404	(160,042)	(15,638)
Zakat	-	-	-	-	-	-	(6,666)	(6,666)
Profit / (loss) for the period	195,226	2,900	(14,019)	(8,038)	(31,665)	144,404	(166,708)	(22,304)

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

17. SEGMENT REPORTING (continued)

Interim condensed consolidated statement of profit or loss and other comprehensive income (continued):

	Residential Business	Industrial Development	Hospitality and Leisure	Education	City Operations	Total Segment	Adjustments and Eliminations	Consolidated
For the six-month period ended: 30 June 2025 *(Unaudited)*								
Revenue								
External customers	(2,238)	61,008	117,586	38,501	21,922	236,779	85,360	322,139
Inter-segment	2,633	-	14,540	-	36,189	53,362	(53,362)	-
	395	61,008	132,126	38,501	58,111	290,141	31,998	322,139
Results								
Cost of inventories and services recognised as an expense	(47,332)	(14,374)	(26,502)	(1,399)	(50,501)	(140,108)	30,324	(109,784)
Impairment loss on financial assets	40,459	56,342	16,834	9,079	-	122,714	(109,363)	13,351
Gain on extinguishment of liabilities						-	242,839	242,839
Finance cost	(82)	-	(736)	(378)	-	(1,196)	(286,133)	(287,329)
Finance income	-	-	-	-	-	-	2,268	2,268
Depreciation	(18,092)	(10,955)	(30,480)	(7,102)	(5,599)	(72,228)	(55,873)	(128,101)
Amortisation	(127)	-	-	-	-	(127)	(391)	(518)
Share of results of equity accounted investee	-	-	-	-	-	-	(89,133)	(89,133)
Other (expenses) / income	(9,475)	(2,838)	(18,867)	(46,536)	(9,969)	(87,685)	(85,370)	(173,055)
(Loss) / income before zakat	(34,254)	89,183	72,375	(7,835)	(7,958)	111,511	(318,834)	(207,323)
Zakat	-	-	-	-	-	-	(9,000)	(9,000)
Loss for the period	(34,254)	89,183	72,375	(7,835)	(7,958)	111,511	(327,834)	(216,323)

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

17. SEGMENT REPORTING (continued)

Interim condensed consolidated statement of profit or loss and other comprehensive income (continued):

	Residential Business	Industrial Development	Hospitality and Leisure	Education	City Operations	Total Segment	Adjustments and Eliminations	Consolidated
For the three-month period ended:								
30 June 2025 *(Unaudited)*								
Revenue								
External customers	(109,216)	11,966	99,888	16,457	14,077	33,172	85,240	118,412
Inter-segment	1,332	-	10,094	-	18,257	29,683	(29,683)	-
	(107,884)	11,966	109,982	16,457	32,334	62,855	55,557	118,412
Results								
Cost of inventories and services recognised as an expense	(22,182)	(7,277)	(17,941)	(807)	(24,999)	(73,206)	14,655	(58,551)
Impairment loss on financial assets	-	-	516	1,664	-	2,180	(11,615)	(9,435)
Gain on extinguishment of liabilities	-						242,839	242,839
Finance cost	(35)	-	(294)	(183)	-	(512)	(139,188)	(139,700)
Finance income	-	-	-	-	-	-	2,239	2,239
Depreciation	(9,154)	(5,500)	(15,250)	(3,563)	(2,805)	(36,272)	(27,966)	(64,238)
Amortisation	(31)	-	-	-	-	(31)	(230)	(261)
Share of results of equity accounted investee	-	-	-	-	-	-	(69,923)	(69,923)
Other (expenses) / income	(6,211)	(4,744)	(8,621)	(28,433)	(5,991)	(54,000)	(55,918)	(109,918)
(Loss) before zakat	(145,497)	(5,555)	68,392	(14,865)	(1,461)	(98,986)	10,450	(88,536)
Zakat	-	-	-	-	-	-	(4,500)	(4,500)
Loss for the year	(145,497)	(5,555)	68,392	(14,865)	(1,461)	(98,986)	5,950	(93,036)

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

18. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the Management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 June 2026 ***(Unaudited)***	**Less than 12 months**	**More than 12 months**	**Total**	**Carrying value**
Loans	**1,113,808**	**5,290,981**	**6,404,789**	**4,640,354**
Zakat liability	**78,474**	**82,327**	**160,801**	**160,801**
Lease liabilities	**60,030**	**774**	**60,804**	**58,281**
Trade and other payables	**848,594**	**-**	**848,594**	**848,594**
	2,100,906	**5,374,082**	**7,474,988**	**5,708,030**

31 December 2025 *(Audited)*	Less than 12 months	More than 12 months	Total	Carrying value
Loans	570,495	5,907,971	6,478,466	4,549,697
Zakat liability	61,745	113,199	174,944	174,944
Lease liabilities	64,412	11,987	76,399	73,263
Trade and other payables	861,620	-	861,620	861,620
	1,558,272	6,033,157	7,591,429	5,659,524

19. FAIR VALUE OF ASSETS AND LIABILITIES

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

19. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the period.

As at the reporting date, management believes that, in lieu of the tenor and interest rate profile (where applicable), the carrying value of Group’s financial assets and liabilities approximate their fair values and are measured at amortized cost.

20. GEOPOLITICAL DEVELOPMENTS

During the current period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Group has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these geopolitical events on future periods. Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

21. PRIOR YEAR ADJUSTMENTS

During the current period, management considered the accounting implications of the construction site fire incident which occurred on 22 June 2025 at an investment property under development held by Al Bilad Tourism Fund (the "Fund"), an associate accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The incident was considered an adjusting event for the period ended 30 June 2025. However, as at 30 June 2025 and throughout the subsequent periods up to 31 March 2026, management did not have sufficient information to reliably determine the extent of the loss arising from the damage to the property. During the quarter ended 30 June 2026, management completed its assessment of the damage and obtained sufficient information to reliably estimate the resulting loss arising from the fire incident. In addition, the Group's share of certain other expenses reported by the Fund during the second half of 2025 was not reflected in the financial information previously used by the Group in applying the equity method of accounting for its investment in the Fund.

Accordingly, the Group has retrospectively restated the comparative financial information in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to recognize its share of the losses reported by Al Bilad and to correct the affected financial statement line items.

The impact of the restatement on the comparative 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 comparative condensed consolidated statement of financial position as at 31 December 2025 is summarized below. The restatement had no impact on the Group's total net cash flows for the periods presented.

The Group has not presented a third statement of financial position as at 1 January 2025 as the restatement had no effect on the opening statement of financial position at the beginning of the preceding period. Accordingly, the presentation of an additional statement of financial position is not required under IAS 1 *Presentation of Financial Statements*.

Impact on Statement of financial position

	At 31 December 2025		
	As previously Stated ⃁	***Effects of correction of error*** ⃁	***As restated*** ⃁
Assets			
Non - current assets			
Investment in equity accounted investees	2,571,208	(69,955)	**2,501,253**
Equity			
Retained earnings / (accumulated losses)	2,401	(69,955)	**(67,554)**

The comparative statement of financial position as at 31 December 2025 reflects the full adjustment of SAR 69.95 million, comprising the Group's share of the fire-related loss of SAR 49.38 million and its share of other expenses of SAR 20.57 million recognized by Al Bilad during the second half of 2025.

(Expressed in thousands of Saudi Arabian Riyals (⃁), unless otherwise stated)

21. PRIOR YEAR ADJUSTMENTS (continued)

Impact on statement of profit or loss and other comprehensive income

	For the three-month ended 30 June 2025		
	As previously Stated ⃁	*Effects of correction of error* ⃁	*As restated* ⃁
Share of loss of equity accounted investees	(20,543)	(49,380)	**(69,923)**
Loss before Zakat	(39,156)	(49,380)	**(88,536)**

	For the six-month period ended 30 June 2025		
	As previously Stated ⃁	*Effects of correction of error* ⃁	*As restated* ⃁
Share of loss of equity accounted investees	(39,753)	(49,380)	**(89,133)**
Loss before Zakat	(157,943)	(49,380)	**(207,323)**

The comparative three-month and six-month periods ended 30 June 2025 reflect only the fire-related loss adjustment of SAR 49.38 million, as the remaining SAR 20.57 million relates to expenses recognized by Al Bilad during the second half of 2025.

Impact on statement of cash flows

	For the six-month period ended 30 June 2025		
	As previously Stated ⃁	*Effects of correction of error* ⃁	*As restated* ⃁
Loss before Zakat	(157,943)	(49,380)	**(207,323)**
Share of loss of equity accounted investees	(39,753)	(49,380)	**(89,133)**

22. RESERVE

This balance represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the company's By-Law prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly.

23. EVENTS AFTER THE REPORTING PERIOD

No matter has occurred up to and including the date of the approval of these interim condensed consolidated financial statements by the Board of Directors which could materially affect these interim condensed consolidated financial statements and the related disclosures for the six-month period ended 30 June 2026 except disclosed under going concern disclosure in note 1.

24. DATE OF APPROVAL AND AUTHORISATION FOR ISSUE

The interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on 11 August 2026, corresponding to 28 Safar 1448H.