

**RIYAL FOR INVESTMENT AND DEVELOPMENT
COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) AND INDEPENDENT AUDITOR'S
REVIEW REPORT FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2026**

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

INDEX	PAGES
Independent auditor's review report	2
Condensed interim statement of financial position	3
Condensed interim statement of profit or loss and other comprehensive income	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7 - 17

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

**To the Shareholders of
Riyal for Investment and Development Company**
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Riyal for Investment and Development Company (the "Company") as of June 30, 2026 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

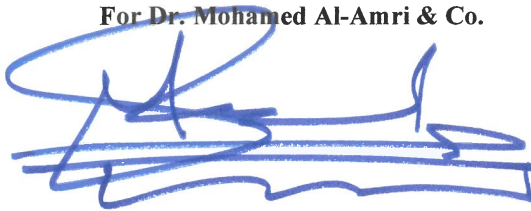
Scope of review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Maher T. Al-Khatieb
Certified Public Accountant
Registration No. 514



Dammam, on: 11 Rabi Al-Awwal, 1448 (H)
Corresponding to: 24 August, 2026 (G)

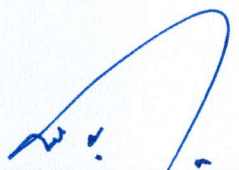
RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026**

(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

	Notes	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	131,306,831	108,806,632
Right-of-use assets	6	150,763,727	178,583,651
Total non-current assets		282,070,558	287,390,283
Current assets			
Inventories	7	7,430,303	8,030,212
Trade receivables		39,146,827	38,437,860
Trade and other receivables- related parties	9	4,783,295	3,921,423
Prepayments and other current assets		6,973,291	5,363,765
Cash and cash equivalents		6,294,903	4,041,549
Total current assets		64,628,619	59,794,809
TOTAL ASSETS		346,699,177	347,185,092
EQUITY AND LIABILITIES			
Equity			
Share capital		80,000,000	80,000,000
Statutory reserve		7,625,538	7,625,538
Retained earnings		82,086,654	81,292,440
Total equity		169,712,192	168,917,978
LIABILITIES			
Non-current liabilities			
Loans	8	36,727,632	17,308,993
Lease liabilities	6	60,717,893	76,959,284
Employees' benefits obligations		5,799,267	5,319,077
Total non-current liabilities		103,244,792	99,587,354
Current liabilities			
Trade payables		2,000,709	3,317,209
Current portion of loans	8	25,031,637	18,612,435
Current portion of lease liabilities	6	42,603,511	49,771,347
Accruals and other current liabilities		3,027,223	5,411,667
Accruals and other liabilities- related parties	9	81,398	455,248
Provision for Zakat	11	997,715	1,111,854
Total current liabilities		73,742,193	78,679,760
Total liabilities		176,986,985	178,267,114
TOTAL EQUITY AND LIABILITIES		346,699,177	347,185,092

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


Chief Executive Officer


Chief Financial Officer


Chairman

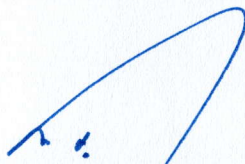
RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

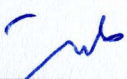
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

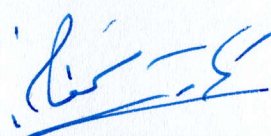
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

	Notes	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Revenue	10	75,326,831	73,789,481
Cost of revenue		(58,349,450)	(53,158,859)
Gross profit		16,977,381	20,630,622
General and administrative expenses		(7,474,164)	(5,965,193)
Selling and marketing expenses		(735,665)	(973,852)
Allowance for expected credit losses		-	(422,538)
Other income, net		3,091,774	2,796,928
Finance cost		(11,030,862)	(10,448,578)
Profit before Zakat		828,464	5,617,389
Zakat	11	(34,250)	(147,566)
NET PROFIT FOR THE PERIOD		794,214	5,469,823
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		794,214	5,469,823
EARNINGS PER SHARE			
Basic and diluted earning per share	12	0.10	0.68

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


Chief Executive Officer


Chief Financial Officer


Chairman

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
At January 01, 2025 (audited)	80,000,000	7,625,538	80,001,702	167,627,240
Net profit for the period	-	-	5,469,823	5,469,823
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	5,469,823	5,469,823
Dividend (note-13)	-	-	(4,000,000)	(4,000,000)
At June 30, 2025 (un-audited)	<u>80,000,000</u>	<u>7,625,538</u>	<u>81,471,525</u>	<u>169,097,063</u>
At January 01, 2026 (audited)	80,000,000	7,625,538	81,292,440	168,917,978
Net profit for the period	-	-	794,214	794,214
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	794,214	794,214
At June 30, 2026 (un-audited)	<u>80,000,000</u>	<u>7,625,538</u>	<u>82,086,654</u>	<u>169,712,192</u>

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


Chief Executive Officer


Chief Financial Officer


Chairman

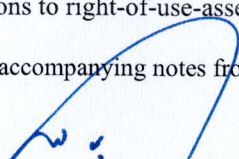
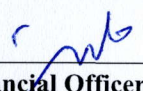
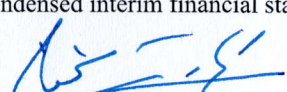
RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

	Notes	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		828,464	5,617,389
<i>Adjustments for:</i>			
Depreciation of property and equipment		9,704,671	7,206,698
Depreciation of right-of-use-assets		10,761,701	13,105,602
Allowance for expected credit losses		-	422,538
Write down of inventories		181,902	-
Gain on early termination of lease -net		(21,518)	-
Provision for employees' benefits		534,424	405,159
Finance cost		11,030,862	10,448,578
		33,020,506	37,205,964
<i>Changes in:</i>			
Inventories		26,159,357	20,372,298
Registration charges for lease vehicles		(19,790)	-
Additions to vehicles held for lease in property and equipment		(35,629,447)	(7,562,843)
Trade receivables		(708,967)	(8,047,718)
Trade and other receivables -related parties		(861,872)	5,066,134
Prepayments and other current assets		(1,609,526)	551,476
Trade payables		(1,316,500)	(793,032)
Accruals and other current liabilities		(2,609,752)	2,214,430
Accruals and other liabilities- related parties		(373,850)	(4,984)
Cash generated from operations		16,050,159	49,001,725
Employees benefits paid		(54,234)	(119,894)
Zakat paid		(148,389)	(636,080)
Finance cost paid		(252,914)	(431,956)
Net cash generated from operating activities		15,594,622	47,813,795
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment (excluding vehicles)		(615,217)	(545,301)
Net cash used in investing activities		(615,217)	(545,301)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	13	-	(4,000,000)
Proceeds from loans		36,180,628	7,422,498
Repayments of loans		(12,608,745)	(11,235,775)
Repayment of lease liabilities	6	(36,297,934)	(43,744,966)
Net cash used in financing activities		(12,726,051)	(51,558,243)
Net change in cash and cash equivalents		2,253,354	(4,289,749)
Cash and cash equivalents at the beginning of the period		4,041,549	5,562,576
Cash and cash equivalents at end of the period		6,294,903	1,272,827
Significant non-cash transactions:			
Transfer from property and equipment to inventories		25,741,350	21,942,104
Transfer from right of use assets to property and equipment		21,701,556	28,740,869
Additions to right-of-use-assets		4,767,694	30,195,358

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

		
Chief Executive Officer	Chief Financial Officer	Chairman

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Riyal for Investment and Development Company (the "Company") is a Saudi Joint Stock Company registered on Shaban 17, 1413H, (corresponding to February 09, 1993) under commercial registration number 2050024818 and unified number 7008057247. The share capital of the Company is ﷲ 80 million divided into 8 million shares of ﷲ 10 each. The registered office of the Company is located in Al Kuthriah Dist.-Unit No.55, Dammam 32436-2760, Kingdom of Saudi Arabia.

The principal activities of the Company are leasing of vehicles and buses, trading activities (export, import, brokerage, and marketing for others) in non-money exchange business, establish and operate workshops for vehicles, equipment, wholesale and retail sales and export and import in vehicles spare parts and wheels.

The shareholders of the Company passed a resolution on March 18, 2022 to convert legal status of the Company from a limited liability Company to a closed joint stock Company. The Ministry of Commerce issued a letter dated Dhul Al-Qadah 08, 1443H (corresponding to June 07, 2022) providing approval for conversion of legal status of the Company to a closed joint stock Company and the change is reflected on Company's commercial registration number 2050024818. The management obtained approval for the listing of the Company's shares in Nomu (Parallel Market) on Dhul Al-Qadah 16, 1444H (corresponding to June 05, 2023).

The Company operates through the following branches:

<u>Name</u>	<u>City</u>	<u>CR number</u>	<u>CR Date (Hijri)</u>
Riyal for Investment and Development Branch	Dammam	2050050531	07/03/1427-H
Riyal for Investment and Development Branch	Dammam	2050067684	27/11/1430-H
Riyal for Investment and Development Branch	Dammam	2050056938	18/10/1428-H
Riyal for Investment and Development Branch	Jubail	2055161957	20/08/1446-H

The assets, liabilities and financial results of the above branches are included in these condensed interim financial statements.

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and therefore, should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2025.

The methods of computation and accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2025 and the significant judgements made by management in applying the Company's key sources of estimation uncertainty are similar to those described in the Company's annual financial statements for the year ended December 31, 2025.

The results for the six-month period ended June 30, 2026 are not necessarily indicative of the results that can be expected for the year ending December 31, 2026.

2.2 Basis of measurement

These condensed interim financial statements have been prepared using the accrual basis of accounting under the historical cost basis, except for certain employees' benefits obligations which are measured at present value using Projected Unit Credit Method (PUCM).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷻ unless otherwise stated)

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT (CONTINUED)

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyals (ﷻ), which is the functional and presentation currency of the Company. All the amounts have been rounded to the nearest Saudi Riyals (ﷻ) unless otherwise stated.

2.4 Going concern and net current liability position

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue its business for the foreseeable future. As of June 30, 2026, current liabilities of the Company exceeded its current assets by ﷻ 9.11 million (December 31, 2025: ﷻ 18.88 million). This is due to the business model of the Company. The Company is making profits and also has history of profits. Management of the Company has prepared the forecasted cash flows for the next year where it has sufficient funds to settle its liabilities as and when they fall due. Therefore, these condensed interim financial statements have been prepared on going concern basis.

3. MATERIAL ACCOUNTING POLICIES

3.1 Standards and amendments effective in current period

There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Company's condensed interim financial statements;

Amendments to standard	Description	Effective for annual years beginning on or after
IFRS 9 & IFRS 7	Amendments - Classification and Measurement of Financial Instruments	January 01, 2026

3.2 Impact of accounting standards to not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2026 (the date of the Company's next annual financial statements) that the Company has decided not to adopt early.

The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted (except for future adoption of IFRS 18 as described in note 3.2.1 below).

3.2.1 IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will supersede IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after January 01, 2027. The Company annual financial statements at December 31, 2027 and (any interim financial statements prepared during 2027, such as June 30, 2027 condensed interim financial statements) will reflect the effects of IFRS 18 on the primary financial statements and related notes.

The most significant effects of IFRS 18 (and consequential amendments to IFRS Accounting Standards other than IFRS 18) relate to the following:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷻ unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Impact of accounting standards to not yet effective (Continued)

3.2.1 IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

▪ **Classification of income and expenses in the statement of profit or loss**

All income and expenses are classified into one of five categories:

- a. The investing category
- b. The financing category
- c. The operating category
- d. The income taxes category
- e. The discontinued operations category
- f. The presentation of two new mandatory subtotals, "operating profit or loss" and "profit or loss before financing and zakat"

Income and expenses are generally classified based on the characteristic of the income or expense (i.e. the type of asset or liability to which the income or expense relates). However, certain exceptions exist for entities with specified main business activities, resulting in certain income and expenses being classified in the operating category that would otherwise be classified in the investing and/or financing categories.

IFRS 18 does not change the recognition or measurement requirements of any items in the financial statements; accordingly, its application will have no impact on the Company's net profit, earnings per share, financial position, or equity.

▪ **Structure of the statement of profit or loss**

The statement of profit or loss will be structured into the operating, investing, financing and zakat categories, and the new mandatory subtotals will be presented. As the Company's main business activity is leasing of vehicles and buses and sale of used vehicles therefore, it has determined that it does not provide financing to customers and investing in assets as main business activity and income and expenses arising from leasing of vehicles and buses and sale of used vehicles will continue to be presented within the operating category.

Based on the preliminary assessment performed by management, the expected impacts of the initial application of IFRS 18 on the Company's financial statements are as follows:

- The finance cost includes expenses from the employees' defined benefits obligations, loans and lease liabilities. These are currently presented within the sub-total of Profit before Zakat and after the operating profit. After the implementation of IFRS 18, both of these expenses will be classified under the subtotal of the financing category and a new subtotal will be created as 'Profit or Loss before zakat'.
- Bank charges and other charges not related to raising finance will be reclassified and presented under the operating category.
- General and administrative expenses, selling and marketing expenses and allowance of expected credit losses would be forming part of operating category.
- Other income, net currently shown would be reclassified as part of the operating category.

▪ **Principles of aggregation and disaggregation**

A new set of principles has been introduced for how assets, liabilities, equity, reserves, income, expenses and cash flows are aggregated and disaggregated. Applying these requirements results in aggregation and disaggregation of items being presented in the primary financial statements and disclosed in the notes.

The Company is reviewing the level of aggregation and disaggregation of line items presented in the primary financial statements and the notes, including the requirement to disclose specified expenses by nature, in light of the enhanced principles introduced by IFRS 18.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

3. MATERIAL INFORMATION ON ACCOUNTING POLICIES (CONTINUED)

3.2 Impact of accounting standards to not yet effective (Continued)

3.2.1 IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

▪ **Disclosure of management-defined performance measures**

IFRS 18 requires entities to disclose information about management-defined performance measures (MPMs), which are a subtotal of income and expense that:

- a) an entity uses in public communications outside financial statements;
- b) an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and
- c) is not listed in IFRS 18 or specifically required to be presented or disclosed by IFRS Accounting Standards.

The Company is assessing whether subtotals of income and expenses used in the Company's public communications outside the financial statements meet the definition of MPMs under IFRS 18 and which public communications should be considered when identifying MPMs, which would require disclosure in a single note including a reconciliation to the most directly comparable subtotal specified by IFRS Accounting Standards.

▪ **Consequential amendments to IAS 7 Statement of Cash Flows**

The Company uses indirect method to prepare its statement of cash flows, therefore the starting point will be typically operating profit or loss. Prior to the adoption of IFRS 18, the starting point in the statement of cash flows is profit or loss before zakat. IFRS 18 also eliminates the classification options for interest and dividend cash flows, which will increase consistency.

Finance costs including interest on lease liabilities and loans will be classified within financing activities. These changes will affect the classification of cash flows between categories but will have no impact on the net increase or decrease in cash and cash equivalents.

The above assessment is preliminary and the actual impact of applying IFRS 18 may change as the Company progresses in its implementation plan. The Company will continue to monitor developments, including any implementation guidance and decisions issued by the IFRS Interpretations Committee, and will update its assessment in future financial statements.

4. SEGMENT INFORMATION

Operating segments

The Chief Executive Officer and Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and is measured consistently in the condensed interim financial statements.

For segment reporting purposes, the Company is organized into business units based on its products and services and has the following reportable segments:

- a) **Lease of vehicles** - This segment represents vehicles leased/rented out to customers under medium to long-term rental arrangements;
- b) **Sale of used vehicles** - This segment represents sale of used vehicles which have completed their lease terms as per management policy.

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

4. SEGMENT INFORMATION (CONTINUED)

The selected information for each operating segment for the period ended June 30, 2026 and June 30, 2025 is as follows:

Six-month period ended June 30, 2026 (Un-audited)	Lease of vehicles	Sale of used vehicles	Total
Revenue	50,634,996	24,691,835	75,326,831
Cost of revenue	(33,767,512)	(24,581,938)	(58,349,450)
Gross profit	16,867,484	109,897	16,977,381
Unallocated (expenses) / income			
General and administrative expenses	-	-	(7,474,164)
Selling and marketing expenses	-	-	(735,665)
Other income, net	-	-	3,091,774
Finance cost	-	-	(11,030,862)
Profit before zakat	-	-	828,464
Zakat expense for the period	-	-	(34,250)
Net profit for the period	-	-	794,214

At June 30, 2026 (Unaudited)

Total assets	-	-	346,699,177
Total liabilities	-	-	176,986,985
Capital expenditures	-	-	36,244,664

Six-month period ended June 30, 2025 (Un-audited)	Lease of vehicles	Sale of used vehicles	Total
Revenue	54,309,646	19,479,835	73,789,481
Cost of revenue	(32,774,428)	(20,384,431)	(53,158,859)
Gross profit	21,535,218	(904,596)	20,630,622
Unallocated (expenses) / income			
General and administrative expenses	-	-	(5,965,193)
Selling and marketing expenses	-	-	(973,852)
Allowance for expected credit losses	-	-	(422,538)
Other income.net	-	-	2,796,928
Finance cost	-	-	(10,448,578)
Profit before zakat	-	-	5,617,389
Zakat expense for the period	-	-	(147,566)
Net profit for the period	-	-	5,469,823

At December 31, 2025 (Audited)

Total assets	-	-	347,185,092
Total liabilities	-	-	178,267,114
Capital expenditures	-	-	19,701,607

Geographical segments

All of the Company's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia. Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, zakat, non-operating gains and losses and finance costs as the underlying instruments are managed on a Company basis. Assets and liabilities are also not allocated to segments as these are also managed on a Company basis. This is the measure reported to the Company's executives for the purpose of resource allocation and assessment of segment performance.

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

5. PROPERTY AND EQUIPMENT

	June 30, 2026	December 31, 2025
	(Un-audited)	(Audited)
Net book value at beginning of period / year	108,806,632	97,562,912
Additions during the period / year	36,244,664	19,701,607
Transfers from right of use assets, net (note 6)	21,701,556	49,223,422
Transfers to inventories, net	(25,741,350)	(41,106,096)
Depreciation charged during the period / year	(9,704,671)	(16,575,213)
Net book value at the end of the period / year	<u>131,306,831</u>	<u>108,806,632</u>

6. LEASES

a) Company as a lessee

The Company leases vehicles and buses, with lease terms ranging from 2 to 4 years and an ownership of the vehicle will be transferred to the Company at the end of the lease period. Additionally, the Company holds leasehold lands and buildings with lease terms varying between 2 and 19 years.

The Company also leases parking plots with terms of 12 months or less and applies the 'short-term lease' recognition exemptions to these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	June 30, 2026	December 31, 2025
	(Un-audited)	(Audited)
Net book value at beginning of period / year	178,583,651	190,106,988
Additions during the period / year	4,767,694	62,460,644
Transfers to property and equipment' net (note 5)	(21,701,556)	(49,223,422)
Depreciation charged during the period / year	(10,761,701)	(24,553,670)
Termination of lease	(124,361)	-
Adjustments	-	(206,889)
Net book value at the end of the period / year	<u>150,763,727</u>	<u>178,583,651</u>

Set out below are the carrying amounts of lease liabilities:

	June 30, 2026	December 31, 2025
	(Un-audited)	(Audited)
Balance at beginning of period / year	126,730,631	133,238,705
Additions during the period / year	4,747,904	61,901,441
Paid during the period / year	(36,297,934)	(85,200,687)
Interest expense during the period / year	8,286,682	17,349,591
Termination of lease	(145,879)	-
Adjustments	-	(558,419)
Balance at the end of the period / year	<u>103,321,404</u>	<u>126,730,631</u>
Less: current portion	<u>(42,603,511)</u>	<u>(49,771,347)</u>
Non-current portion	<u>60,717,893</u>	<u>76,959,284</u>

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

6. LEASES (CONTINUED)

b) Company as a lessor

The Company leases out its vehicles consisting of its owned vehicles as well as leased vehicles. All leases are classified as operating leases from a lessor perspective.

Operating lease

The Company enters into leases on its fleet of vehicles. The commercial and non-commercial vehicle leases typically have lease terms of between 1 to 4 years. Leases contain options to cancel before the end of the lease term in exchange of additional penalty payments. Future minimum rentals receivable under non-cancellable operating leases as at the reporting date are, as follows:

	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Within 1 year	79,028,045	64,430,792
More than 1 but less than 5 years	104,013,216	72,696,166
	<u>183,041,261</u>	<u>137,126,958</u>

Rental revenue recognized by the Company during the period was ﷲ 50,634,996 (30 June 2025: ﷲ 54,309,646).

7. INVENTORIES

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Used vehicles held for sale	7,009,244	7,609,153
Spare parts and supplies	421,059	421,059
	<u>7,430,303</u>	<u>8,030,212</u>

8. LOANS

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Term loans	<u>61,759,269</u>	<u>35,921,428</u>
Current	25,031,637	18,612,435
Non-current	<u>36,727,632</u>	<u>17,308,993</u>
	<u>61,759,269</u>	<u>35,921,428</u>

The Company has various facilities with commercial banks and financing companies amounting to ﷲ 90 million. As at June 30, 2026, the outstanding amount of these loans is as disclosed above. The terms of the loans range from 24 months to 48 months. All loan is secured by promissory notes signed by the shareholders of the Company.

The loan agreements include covenants which among other things, require certain financial ratios to be maintained. During the period ended June 30, 2026, there has been no non-compliance with any of the covenants.

Total drawdown from commercial bank during the period amounted to ﷲ 36.18 million (30 June, 2025: ﷲ 7.42 million).

The loans carry interest ranging from 8.50% to 12.05% per annum.

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

9. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties include shareholders, other related parties, directors and key management personnel of the Company. Other related parties are the companies that are controlled by the common shareholders. The terms and conditions of related party transactions are approved by the management.

Name	Relationship
Al-Qahtani Pipe Coating Industries	Other related party
Pipeline Flow Chemical Company	Other related party
Eradat Transport Company	Other related party
Abdel Hadi Abdullah Al-Qahtani & Sons- Construction	Other related party
Al Qahtani Vehicles and Machinery Company	Other related party
Group Five Pipe Saudi Company	Other related party
Al Jazeera Water Treatment Chemicals Company	Other related party
Al Hijaz Carton Factory Limited Company	Other related party
Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Cont.co	Other related party
Abdul Hadi Tareq Al-Qahtani	Other related party
Arabian Commercial Services Company Limited – Arco	Other related party
Izar for Insurance Brokerage Company	Other related party
Abdel Hadi Al-Qahtani Travel Bureau	Other related party

a) The significant transactions with related parties are as follows:

Related parties	Nature of transaction	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Al-Qahtani Pipe Coating Industries	Rental revenue	724,707	671,440
	Expenses	19,625	-
Group Five Pipe Saudi Company	Rental revenue	326,025	325,802
	Expenses	10,074	-
Abdel Hadi Abdullah Al-Qahtani & Sons – Construction	Rental revenue	163,732	142,380
Pipeline Flow Chemical Company	Rental revenue	-	16,260
Al-Qahtani Vehicles and Machinery Company	Expenses	6,200	41,160
Al- Hijaz Carton Factory Company Limited	Rental revenue	29,670	25,800
Abdel Hadi Al-Qahtani Travel Bureau	Travel expenses	167,793	134,710
Abdul Hadi Tareq Al-Qahtani	Lease payments	375,000	500,000

b) Trade and other receivables- related parties

Related parties	Balances as at	
	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Al-Qahtani Pipe Coating Industries	3,113,222	2,368,890
Abdel Hadi Abdullah Al-Qahtani & Sons- Construction	539,374	380,445
Pipeline Flow Chemical Company	492,280	492,280
Eradat Transport Company	397,537	397,537
Al Qahtani Vehicle and Machinery Company	131,455	128,648
Group Five Pipe Saudi Company	61,370	110,512
Al Jazeera Water Treatment Chemicals Company	24,392	24,392
Al Hijaz Carton Factory Limited Company	14,836	9,890
Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Cont.co	8,829	8,829
	4,783,295	3,921,423

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷻ unless otherwise stated)

9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The amounts due from related parties are secured by collateral against shares of a listed Company owed by common shareholders except Pipe Flow Chemical Company, Al Jazeera Water Treatment Chemicals Company, Al Hijaz Carton Factory, Abdel Hadi Abdullah Al-Qahtani & Sons Sinopec Shanghai Engineering Cont.co.

c) Accruals and other liabilities- related parties

	Balances as at	
	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Related parties		
Abdul Hadi Tareq Al-Qahtani	-	375,000
Arabian Commercial Services Company Limited – Arco	41,700	41,700
Izar for Insurance Brokerage Company	38,548	38,548
Abdel Hadi Al-Qahtani Travel Bureau	1,150	-
	81,398	455,248

The above balances are not bearing interest and are due to be settled in cash within 12 months from the end of the reporting date.

d) Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the period was as follows:

	For the six-month period ended	
	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Short term benefits	1,734,102	1,706,152
End of service benefits	1,352,416	1,532,950
	3,086,518	3,239,102

10. REVENUE

	For the six-month period ended	
	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Rental income	50,634,996	54,309,646
Sale of used vehicles	24,691,835	19,479,835
Total revenue	75,326,831	73,789,481

Disaggregation of revenue

All revenue is generated within Kingdom of Saudi Arabia.

Timing of revenue recognition

	For the six-month period ended	
	June 30, 2026 (Un-audited)	June 30, 2025 (Un-audited)
Transferred at point over time	50,634,996	54,309,646
Transferred at a point in time	24,691,835	19,479,835
	75,326,831	73,789,481

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷻ unless otherwise stated)

11. ZAKAT

The Company has submitted its Zakat returns to the Zakat, Tax and Customs Authority ("ZATCA") up to the year ended December 31, 2025, obtained the relevant Zakat certificates, and settled all Zakat liabilities relating to the submitted returns.

12. EARNINGS PER SHARE

Basic earnings per share for profit attributable to ordinary shares holders for the period are computed based on the weighted average number of shares outstanding during such period. The diluted earnings per share are the same as the basic earnings per share because the Company does not have any dilutive instruments in issue.

	Six-month period ended June 30,	
	2026	2025
	(Un-audited)	(Un-audited)
Profit attributable to ordinary equity holders of the Company	794,214	5,469,823
Weighted average number of shares	8,000,000	8,000,000
Basic and diluted earnings per share	0.10	0.68

13. DIVIDENDS

On May 25, 2025, the General Assembly of the shareholders approved the Board of Directors recommendation to distribute cash dividend of ﷻ 4 million (ﷻ 0.50 per share) for the year ended December 31, 2024 and the same was paid to the shareholders.

14. CONTINGENCIES AND COMMITMENTS

As at June 30, 2026, the Company has letters of guarantee amounted to ﷻ 100,000 (December 31, 2025: ﷻ 100,000) issued from bank in the Kingdom of Saudi Arabia.

15. COMPARATIVE FIGURES

Certain comparative figures in the condensed interim statement of profit or loss and other comprehensive income have been reclassified to conform with the current year's presentation to give effect to the reclassification improvements. These reclassifications do not have any impact on net profit for the period and retained earnings.

	Amounts before reclassification	Reclassification	Amounts after reclassification
Cost of revenue	(52,415,674)	(743,185)	(53,158,859)
Other income, net	3,168,159	(371,231)	2,796,928
General and administrative expenses	(6,393,814)	428,621	(5,965,193)
Selling and marketing expenses	(1,659,647)	685,795	(973,852)

Condensed interim statement of cash flows

	Amounts before reclassification	Reclassification	Amounts after reclassification
Net cash generated from operating activities	39,539,708	8,274,087	47,813,795
Net cash used in financing activities	(43,284,156)	(8,274,087)	(51,558,243)

RIYAL FOR INVESTMENT AND DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**
(All amounts expressed in Saudi Riyals ﷲ unless otherwise stated)

16. GEOPOLITICAL DEVELOPMENTS

The Company continues to monitor the regional geopolitical developments and their potential impact in the Kingdom of Saudi Arabia given that all of the Company's operations are conducted within the Kingdom of Saudi Arabia. These developments have not had a material impact on Company's condensed interim financial statements for the period ended June 30, 2026. However, given the evolving nature of the conflict, the potential long-term impact on the Company's business will continue to be assessed on future reporting dates.

17. EVENT AFTER THE REPORTING PERIOD

In the opinion of management, there have been no significant subsequent events since the period ended June 30, 2026 till the date of authorization for issuance and approval of these condensed interim financial statements by the Board of Directors of the Company that require either an adjustment or disclosure in these condensed interim financial statements.

18. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Board of Directors of the Company and authorized for issuance on August 19, 2026 G.