

**DAR AL MAJID REAL ESTATE COMPANY
AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

31 December 2025

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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Ernst & Young Professional Services (Professional LLC)
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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Independent Auditor’s Report To the Shareholders of Dar Almajid Real Estate Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Dar Al Majid Real Estate Company, (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of the consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**Independent Auditor’s Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>During the year ended 31 December 2025, the Group recognized total net revenues amounting to 1,224 million ﷲ (2024: 1,402 million ﷲ).</p> <p>Revenue is a key indicator for measuring performance. This implies the presence of inherent risks to overstate revenue recognition to increase profitability and earnings. Therefore, revenue recognition was considered a key audit matter in particular consideration of:</p> <ul style="list-style-type: none"> • The analysis of whether the contracts comprise one or more performance obligations; and • Determining whether the performance obligations are satisfied over time or at a point in time. • Estimating total costs required to meet performance obligations under the contracts with customers, for the overtime performance obligations satisfaction. <p>The Group’s accounting policy for revenue recognition is disclosed in note (2) to the accompanying consolidated financial statements. The significant accounting estimates, assumptions, and judgments relating to revenue are disclosed in note (3), and related disclosures about revenue are included in note (22) to the accompanying consolidated financial statements.</p>	<p>Our audit procedures in this area included, among others, the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the revenue recognition process and the related internal controls. • Evaluating, on a sample basis, contracts relating to the sale of properties and land plots to identify the Group’s performance obligations under such contracts and to assess whether these obligations were satisfied over time or at a point in time, in accordance with the relevant accounting standards, and whether they were accounted for in the appropriate period. • Assessing, on a sample basis, the appropriateness of the completion percentage for the revenue from sale of off-plan properties units by referring to costs incurred to date compared to the estimated total costs, where performance obligations were satisfied over time and accounted for in the appropriate period. We recalculated revenue using the input method and compared it to the Group’s calculations. • Inspecting the supporting documentation, on a sample basis, to determine whether estimates of total costs, and costs incurred to date in relation to development activities were properly recorded. • Evaluating the appropriateness of the Group’s accounting policies relating to revenue recognition, particularly with respect to revenue arising from the sale of properties and lands, and the related disclosures in the consolidated financial statements.

**Independent Auditor's Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the key audit matter
Fair Value Assessment of Investment Properties	
<p>Investment properties are presented in the Group's consolidated statement of financial position at fair value.</p> <p>As at 31 December 2025, the carrying value of these investment properties amounted 435 million ﷲ (2024: 162 million ﷲ).</p> <p>The Group management estimated the fair value of its investment properties as at 31 December 2025 by two independent external valuers with recognized professional qualifications and experience in the real estate sector.</p> <p>The fair value of the investment properties was determined using the income capitalization method. Annual cash flows are estimated by extrapolating and adjusting current rental income based on an optimal occupancy rate, and then capitalized using an annual capitalization rate applicable to leased residential and commercial properties, to arrive at the estimated fair value as disclosed in Note (6) to the consolidated financial statements.</p> <p>The fair value of investment properties was considered a Key Audit Matter due to its significant reliance on a range of assumptions, including expected lease values, occupancy rates, and income capitalization rate.</p> <p>The Group's accounting policy for investment properties is disclosed in note (2) to the accompanying consolidated financial statements. The significant accounting estimates, assumptions, and judgments relating to investment properties are disclosed in note (3), and related disclosures about investment properties are included in note (6) to the accompanying consolidated financial statements.</p>	<p>Our audit procedures in this area included, among others, the following:</p> <ul style="list-style-type: none"> • Agreeing the value of all properties held at year-end along with the valuations included in the independent management expert's report. • Assessing the competence, capabilities, and objectivity of the independent management expert in relation to the work performed. <p>On a sample basis, and with the help of our independent valuation expert, we also:</p> <ul style="list-style-type: none"> • Evaluated the appropriateness of the valuation methods, assumptions, and estimates used by management in the valuation process. • Held discussions with management and assessed the relevant assumptions based on market data, where applicable. • Tested the reasonableness of the key assumptions used in the valuation, including the income capitalization rate, operating costs, expected rental values, and occupancy rate. • Tested the sensitivity analysis performed, which considered the impact of changes in assumptions on the fair value valuation result. • Ensured that the consolidated financial statements include adequate relevant disclosures.

**Independent Auditor’s Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the key audit matter
Assessment of Impairment of properties inventory	
<p>The Group holds properties inventory for development and sale purposes in the ordinary course of its business. As at 31 December 2025, the carrying value of properties inventory amounted to 1,518 million ﷲ (31 December 2024: 1,693 million ﷲ). Properties inventory (held for development or sale) is initially recognized at acquisition cost and subsequently measured at the lower of cost and net realizable value.</p> <p>During the year, the Group performed an internal assessment of its properties inventory portfolio to determine whether there was any potential impairment or indication thereof. This internal tolerance assessment is based on market indicators and profit margins achieved on similar plots.</p> <p>The impairment of properties inventory was considered a Key Audit Matter due to the significant judgments and estimates involved, as any change in the Group’s estimate of profit margins and average accounting rate of return could have a material impact on the valuation of properties held for development or sale in the Group’s consolidated financial statements.</p> <p>The Group has disclosed its accounting policy relating to properties inventory in note (2) to the accompanying consolidated financial statements. Significant accounting estimates, assumptions, and judgments relating to properties inventory have been disclosed in note (3), and disclosures related to properties inventory have been included in note (7) to the accompanying consolidated financial statements.</p>	<p>Our audit procedures in this area included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the valuation methods, assumptions, and estimates used by management in the internal assessment process. • Assessing the competence and capabilities of management personnel involved in the assessment. • Holding discussions with management and assessing the relevant assumptions used, based on market data where applicable. • Testing the appropriateness of the key inputs used in the properties inventory valuation. • Comparing the key assumptions used by management with external and internal benchmark data, such as comparable property transactions and the Group’s actual sales transactions. • Testing the sensitivity analysis that considers the impact of changes in assumptions on the impairment assessment results. • Ensuring that the consolidated financial statements include adequate disclosures regarding the methods and assumptions used in assessing impairment, including sensitivity analysis.

**Independent Auditor's Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Other information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information in its annual report. The Group's 2025 annual report is expected to be available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e. Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**Independent Auditor's Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent Auditor's Report
To the Shareholders of Dar Almajid Real Estate Company
(A Saudi Joint Stock Company) (Continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Ernst & Young Professional Services

Fahad M. Altoaimi
Certified Public accountant
License No. (354)



Riyadh: 22 Ramadhan 1447H
(11 March 2026)


DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

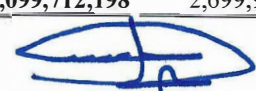
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 S	2024 S
ASSETS			
NON-CURRENT ASSETS			
Properties and building improvements	4	32,012,620	24,227,015
Right-of-use assets		2,094,327	-
Right-of-land development assets	5	73,168,435	-
Investment properties	6	434,628,526	161,652,792
Properties inventory under development	7	1,141,385,915	969,530,137
Finance lease contracts		4,202,978	-
Investment in associates	8	173,734,999	160,000,000
Investments in equity instruments at fair value through other comprehensive income	9	112,991,089	164,504,498
Financial assets at fair value through profit or loss	10	68,485,162	44,859,391
TOTAL NON-CURRENT ASSETS		2,042,704,051	1,524,773,833
CURRENT ASSETS			
Properties inventory	7	376,718,318	723,915,374
Trade receivables	11-1	54,374,774	73,762,743
Contract assets	11-2	117,980,552	88,607,303
Prepaid expenses and other current assets	12	182,928,424	115,409,401
Amounts due from related parties	13-1	7,398,437	20,278,005
Restricted cash	14	216,921,301	31,473,210
Cash and cash equivalents	15	100,686,341	121,778,112
TOTAL CURRENT ASSETS		1,057,008,147	1,175,224,148
TOTAL ASSETS		3,099,712,198	2,699,997,981
EQUITY AND LIABILITIES			
EQUITY			
Share capital		300,000,000	300,000,000
Reserve	16	44,598,701	44,598,701
Fair value reserve on investments at fair value through other comprehensive income	9	32,950,025	84,463,434
Retained earnings		710,020,589	447,231,690
Equity attributable to shareholders of the Parent Company		1,087,569,315	876,293,825
Non-controlling interests	31-1	18,649,820	36,391,862
TOTAL EQUITY		1,106,219,135	912,685,687
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank facilities	17	975,136,677	984,016,412
Employees' defined benefit liabilities	18	7,455,105	6,355,884
Land development contract liabilities	5	47,123,777	-
Lease liability		5,838,390	-
Contract liabilities	20	46,017,145	41,769,009
TOTAL NON-CURRENT LIABILITIES		1,081,571,094	1,032,141,305
CURRENT LIABILITIES			
Bank facilities	17	328,105,335	165,000,000
Lease liability		5,091,710	-
Land development contract liabilities	5	26,044,658	-
Trade and other payables	19	354,368,700	266,288,265
Contract liabilities	20	120,453,897	129,907,985
Amounts due to related parties	13-2	69,877,367	178,083,810
Zakat provision	21	7,980,302	15,890,929
TOTAL CURRENT LIABILITIES		911,921,969	755,170,989
TOTAL LIABILITIES		1,993,493,063	1,787,312,294
TOTAL EQUITY AND LIABILITIES		3,099,712,198	2,699,997,981


Chief Executive Financial Officer
Mohammed Salah


Chief Executive Officer
Abdelsalam Almajid


Chairman of the Board of Directors
Khalid Almajid

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

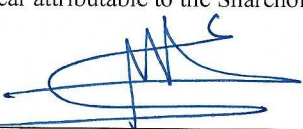
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 ﷲ	2024 ﷲ
Revenue from sale of property units	22-1	799,621,521	893,789,307
Revenue from sale of lands	22-1	314,497,870	392,733,152
Cost of sales of property units	7, 22-2	(598,593,252)	(694,994,116)
Cost of sales of lands	7, 22-2	(195,964,583)	(307,758,624)
Profit from sale of property units and lands		319,561,556	283,769,719
Revenue from real estate commission	22-1	50,049,266	53,337,945
Revenue from real estate development	22-1	26,847,537	34,675,317
Operating cost – development and commissions	22-2	(22,155,737)	(25,849,420)
Profit from real estate development and commission		54,741,066	62,163,842
Gains (losses) from valuation of investment properties	6	53,118,142	(144,510)
Rental revenue	22-1	16,314,600	11,222,959
Depreciation of right-of-use assets	22-2	(698,109)	(458,626)
Rental cost	22-2	(1,496,506)	(1,748,978)
Rental profit		14,119,985	9,015,355
Maintenance revenue	22-1	16,548,000	16,548,000
Maintenance cost	22-2	(18,020,780)	(14,393,076)
Maintenance (losses) profit		(1,472,780)	2,154,924
Gross profit		440,067,969	356,959,330
General and administrative expenses	23	(62,202,251)	(82,820,478)
Selling and marketing expenses	24	(36,604,401)	(6,947,344)
OPERATING PROFIT		341,261,317	267,191,508
Finance costs	25	(74,694,207)	(3,596,813)
Share of results of associates	8	(7,028,405)	3,627,310
Profit from sale of shares in an associate	8	-	12,299,199
Other revenue	26	23,253,437	16,355,225
Gains from valuation of financial assets at fair value through profit or loss		10,648,939	10,191,337
PROFIT FOR THE YEAR BEFORE ZAKAT		293,441,081	306,067,766
Zakat	21	(6,194,008)	(9,754,449)
PROFIT FOR THE YEAR		287,247,073	296,313,317
Profit attributable to:			
Shareholders of the Parent Company		261,922,760	213,554,440
Non-controlling interests	31-3	25,324,313	82,758,877
		287,247,073	296,313,317

Earnings per share (SR):

Basic and diluted earnings per share from the profit for the year attributable to the Shareholders of the Parent Company

32 0.87 0.71


Chief Executive Financial Officer
Mohammed Salah


Chief Executive Officer
Abdelsalam Almajid


Chairman of the Board of Directors
Khalid Almajid

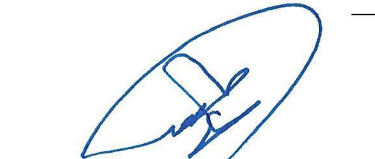
The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

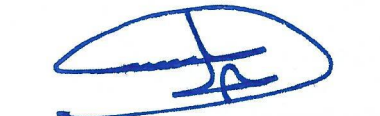
DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 S	2024 S
PROFIT FOR THE YEAR		287,247,073	296,313,317
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gains (losses) on employees' defined benefit liability	18-2	866,139	(168,829)
Share of other comprehensive income of an associate	8	-	6,703,533
Unrealized (loss) profit from change in fair value on investment in equity instruments	9	(51,513,409)	84,463,434
Other comprehensive (loss) income for the year		(50,647,270)	90,998,138
Total comprehensive income for the year		236,599,803	387,311,455
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Shareholders of the Parent Company		211,275,490	304,552,578
Non-controlling interests	31-3	25,324,313	82,758,877
		236,599,803	387,311,455


Chief Executive Financial Officer
Mohammed Salah


Chief Executive Officer
Abdelsalam Almajid

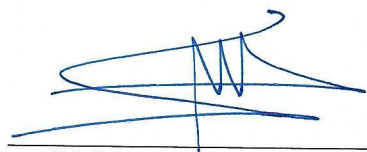

Chairman of the Board of Directors
Khalid Almajid

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

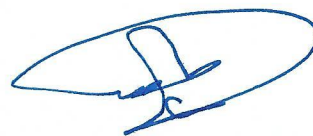
DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital ﷲ	Reserve ﷲ	Fair value reserve on investments at fair value through other comprehensive income ﷲ	Retained earnings ﷲ	Total equity attributable to the Shareholders of the Parent Company ﷲ	Non-controlling interests ﷲ	TOTAL EQUITY ﷲ
Balance as at 1 January 2025	300,000,000	44,598,701	84,463,434	447,231,690	876,293,825	36,391,862	912,685,687
Net profit for the year	-	-	-	261,922,760	261,922,760	25,324,313	287,247,073
Other comprehensive income	-	-	(51,513,409)	866,139	(50,647,270)	-	(50,647,270)
Total Comprehensive income	-	-	(51,513,409)	262,788,899	211,275,490	25,324,313	236,599,803
Dividends (Notes 29 and 31-2)	-	-	-	-	-	(43,066,355)	(43,066,355)
Balance as at 31 December 2025	300,000,000	44,598,701	32,950,025	710,020,589	1,087,569,315	18,649,820	1,106,219,135
Balance as at 1 January 2024	300,000,000	44,598,701	-	321,356,811	665,955,512	65,617,808	731,573,320
Net profit for the year	-	-	-	213,554,440	213,554,440	82,758,877	296,313,317
Other comprehensive income	-	-	84,463,434	6,534,704	90,998,138	-	90,998,138
Total comprehensive income	-	-	84,463,434	220,089,144	304,552,578	82,758,877	387,311,455
Dividends (Notes 29 and 31-2)	-	-	-	(94,214,265)	(94,214,265)	(111,984,823)	(206,199,088)
Balance as at 31 December 2024	300,000,000	44,598,701	84,463,434	447,231,690	876,293,825	36,391,862	912,685,687



Chief Executive Financial Officer
Mohammed Salah



Chief Executive Officer
Abdelsalam Almajid






Chairman of the Board of Directors
Khalid Almajid

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 ﷲ	2024 ﷲ
OPERATING ACTIVITIES			
Profit for the year before Zakat		293,441,081	306,067,766
<i>Adjustments to reconcile profit for the year before Zakat to net cash flows:</i>			
Depreciation of properties and building improvements	4	1,283,590	1,030,354
Depreciation of right-of-use assets		698,109	458,626
Gains from sale of properties and building improvements		(57,056)	(641)
Loss from finance lease contracts		740,235	-
(Gains) loss from valuation of investment properties	6	(53,118,142)	144,510
Reversal of Zakat provision	21	(2,854,101)	-
(Reversal of) provision for expected credit losses	11-1	(3,978,805)	3,121,205
Gains from valuation of financial assets at fair value through profit or loss	10	(10,648,939)	(10,191,337)
Share of results of an associate	8	7,028,405	(3,627,310)
Profit from sale of a share in an associate	8	-	(12,299,199)
Reversal for expected credit losses for amounts due from related parties		-	(3,933,558)
Dividends	26	(2,400,000)	(9,200,000)
Finance interests		(510,549)	-
Finance cost	25	116,507,095	33,842,146
Provision for employees' defined benefit liabilities	18	2,513,563	1,689,271
		348,644,486	307,101,833
<i>Working capital adjustments:</i>			
Properties inventory under development – non current		(372,642,060)	(76,887,749)
Properties inventory		347,197,056	(134,332,399)
Contract assets		(29,373,249)	(28,801,733)
Restricted cash		(185,448,091)	(31,473,210)
Trade receivables		23,366,774	(11,638,645)
Finance lease contracts		4,175,000	-
Prepaid expenses and other current assets		(67,239,023)	14,961,508
Amounts due from related parties		12,879,568	5,486,784
Trade and other payables		86,726,994	(62,214,089)
Contract liabilities		(5,205,952)	(180,702,004)
		163,081,503	(198,499,704)
Finance cost paid		(115,153,654)	(73,725,863)
Employee defined benefit liabilities paid	18	(548,203)	(486,894)
Zakat paid	21	(11,250,534)	(13,981,042)
Net cash flows from (used in) operating activities		36,129,112	(286,693,503)
INVESTING ACTIVITIES			
Additions to properties and building improvements	4	(9,094,105)	(469,448)
Proceeds from sale of properties and building improvements		81,966	3,891
Addition to investment properties	6	(6,606,670)	(14,858,647)
Disposals of investment properties	6	439,472	-
Purchase of financial assets at FVTPL	10	(32,296,020)	(946,822,612)
Proceeds from sales of financial assets at FVTPL	10	19,319,188	826,269,727
Purchase of Investment in an associate	8	(20,763,404)	-
Proceeds from sales of a share in associate	8	-	60,230,330
Dividends received from an associate	8	-	3,206,202
Dividends received	26	2,400,000	9,200,000
Net cash flows used in investing activities		(46,519,573)	(63,240,557)
			
Chief Executive Financial Officer Mohammed Salah	Chief Executive Officer Abdelsalam Almajid	Chairman of the Board of Directors Khalid Almajid	

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 ﷲ	2024 ﷲ
FINANCING ACTIVITIES			
Proceeds from bank facilities	17	2,233,739,659	2,884,254,291
Bank facilities paid	17	(2,079,514,059)	(2,365,414,531)
Amounts due to related parties lease liability paid		(108,206,443)	(8,443,421)
		(750,000)	(800,000)
Land development contract liability paid	5	(12,904,112)	-
Dividends paid	29	(43,066,355)	(206,199,088)
Net cash flows (used in) from financing activities		(10,701,310)	303,397,251
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(21,091,771)	(46,536,809)
Cash and cash equivalents at 1 January		121,778,112	168,314,921
CASH AND CASH EQUIVALENT AT 31 DECEMBER	15	100,686,341	121,778,112
SIGNIFICANT NON-CASH TRANSACTIONS:			
Finance and transaction cost capitalized	25	41,812,888	30,245,333
Investment properties transferred from (to) properties inventory	6, 7	213,690,394	(18,000,000)
Recognition of right-of-use and lease liability		11,680,100	-
Recognition of right-of-use and land development contracts liabilities	5	99,083,872	-
Accrued land development contracts liabilities	5	(15,484,936)	-
Recognition of finance leases against reduction of prepaid expenses and recognition of lease liability		13,612,664	-
Investment at FVOCI transferred to investment in an associate	8, 9	-	80,041,064



Chief Executive Financial Officer
Mohammed Salah



Chief Executive Officer
Abdelsalam Almajid



Chairman of the Board of Directors
Khalid Almajid

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 GROUP INFORMATION

Dar Al Majid Real Estate Company is a Saudi Joint Stock Company (referred to in the consolidated financial statements as the "Company" or the "Parent Company") under the companies' law in the Kingdom of Saudi Arabia and under unified No. 7001852156 and commercial register No. 1010417874 issued on 20 Sha'ban 1435H (corresponding to 18 June 2014).

The Company commenced its real estate development and investment activities as a Limited Liability Company under the name Nasser and Abdul Salam Sons of Abdul Rahman Al Majid Real Estate Company with a share capital of 100,000 ﷲ. On 7 Rabi' al-Thani 1442H (corresponding to 22 November 2020), the Company increased its share capital to (300,000,000 ﷲ) and was converted into a Closed Joint Stock Company.

On 26 Thul-Qi'dah 1445H (corresponding to 4 June 2024), the General Assembly of the Partners resolved to change the number of shares from 30 million shares to SR 300 million shares and to change the nominal value of the share from ﷲ 10 to ﷲ 1. On 27 Thul-Qi'dah 1445H (corresponding to 4 June 2024), the Company's Board of Directors resolved to offer the Company for an initial public offering (IPO). The Group announced in its prospectus the offering of 90 million ordinary shares of the Company for public offering on the Saudi Stock Exchange ("Tadawul") for institutional investors. The offered shares represent 30% of the Group's share capital after the offering, amounting to 300 million ﷲ.

On 20 Ramadhan 1446H (corresponding to 20 March 2025), the Capital Market Authority announced its approval for the offering and listing of the Group's shares on the Saudi Stock Exchange ("Tadawul") for the institutional tranche. On 18 Rabi' al-Awwal 1447H (corresponding to 10 September 2025), The Company was listed under the Tadawul symbol (4326) and the ISIN code (SA16C0723J17). The Company completed its IPO and was listed on the Saudi Stock Exchange ("Tadawul"). Accordingly, the Company has been classified as a Saudi Joint Stock Company, and is currently in the process of updating its by-laws to convert from a closed joint stock company to a public joint stock company.

On 25 Rajab 1447H (corresponding to 14 January 2026), the Company announced the results of the Extraordinary General Assembly meeting (first meeting), approving the transfer of the Company's statutory reserve balance amounting to 44,598,701 ﷲ to retained earnings, and approving the amendment of the Company's by-laws to align with its transformation into a listed joint stock company. The procedures for issuing the Company's new by-laws had not been finalized as of the report date.

The Group and its subsidiaries are engaged in general construction of residential buildings, construction of prefabricated buildings on sites, renovations of residential and non-residential buildings, purchase and sale of land and real estate, division and off-plan sales activities, management and rent of owned or leased real estate (residential and non-residential), management and operation of hotel apartments and real estate management activities for a commission.

a) Consolidated Subsidiaries

These consolidated financial statements include the financial statements of the Company and the following subsidiaries (collectively the "Group"):

Name	Note	Country of incorporation	% of shareholding	
			2025	2024
Mohammed and Khalid Sons of Abdul Rahman Al Majid Real Estate Company	1-1	kingdom of Saudi Arabia	100 %	100 %
Husam and Majid Sons of Abdul Rahman Al Majed Real Estate Company	1-2	kingdom of Saudi Arabia	100 %	100 %
Fikra Estesmar for Real Estate Development Company	1-3	kingdom of Saudi Arabia	100 %	100 %
Nibras Al Amaken for Real Estate Development Company	1-4	kingdom of Saudi Arabia	100 %	100 %
Taj Al Hudo for Real Estate Development Company	1-5	kingdom of Saudi Arabia	100 %	100 %
Al Raayea Real Estate Company	1-6	kingdom of Saudi Arabia	100 %	100 %
Jadet Al Shatea Real Estate Company	1-7	kingdom of Saudi Arabia	70 %	70 %
Jadet Al Rabea Real Estate Company	1-8	kingdom of Saudi Arabia	25 %	25 %
Burj Al Raayea Real Estate Company	1-9	kingdom of Saudi Arabia	50 %	50%
Al Majdiah Investment Fund	1-10	kingdom of Saudi Arabia	100 %	100 %
Al Dar Investment Fund	1-11	kingdom of Saudi Arabia	70 %	70 %
Al Narjis Investment Fund	1-12	kingdom of Saudi Arabia	64 %	64 %

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Group information (continued)

a) Consolidated Subsidiaries (continued)

1-1 During the year 2020, the Company acquired Mohammed and Khalid Sons of Abdul Rahman Al Majid Real Estate Company, a limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010159804 issued on 25 Rabi' al-Awwal 1421H (corresponding to 27 June 2000). The Company is engaged in the general construction of residential buildings, renovations of residential and non-residential buildings, ground transportation of goods, purchase and sale of lands and real estate, its division, off-plan sales activities, management, and rental of owned or leased residential real estate, rental of owned or leased non-residential real estate.

1-2 During the year 2020, the Company acquired Husam and Majid Sons of Abdul Rahman Al Majid Real Estate Company, a limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010425491 issued on 1 Thul-Hijjah 1435h (corresponding to 25 September 2014).

The Company is engaged in the general construction of residential buildings, renovations of residential and non-residential buildings, purchase and sale of lands and real estate, division and off-plan sales activities, management and rental of owned or leased real estate (Residential), Management and rental of owned or leased real estate (non-residential), activities of real estate brokers (auctioneers offices), real estate management activities for a commission, non-Saudis are not entitled to practice real estate activities in Makkah Al Mukarramah and Al Madinah Al Munawwaraha.

1-3 During the 2020, the Company acquired Fikra Estesmar Company for Real Estate Development and Investment, a limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010569523 issued on 27 Rajab 1440H (corresponding to 3 April 2019).

The Company is engaged in the construction of prefabricated buildings on sites, real estate development of residential buildings with modern construction methods, real estate development of commercial buildings with modern construction methods, purchase and sale of land and real estate, division and off-plan sales activities, management and leasing of owned or leased real estate (Residential), Management and leasing of owned or leased real estate (non-residential), management and operation of hotel apartments, non-Saudis are not entitled to practice real estate activities in Makkah Al Mukarramah and Al Madinah Al Munawwaraha.

1-4 During the year 2020, the Company acquired Nibras Al Amaken for Real Estate Development Company, a limited liability company under the companies' law in the Kingdom of Saudi Arabia under commercial registration No.1010587134 issued on 10 Thul-Qi'dah 1440H (corresponding to 13 July 2019).

The Company is engaged in the real estate development of residential buildings with modern construction methods, real estate development of commercial buildings with modern construction methods, purchase and sale of land and real estate, division and off-plan sales activities, management and leasing of owned or leased real estate (Residential), Management and leasing of owned or leased real estate (non-residential), non-Saudis are not entitled to practice real estate activities in Makkah Al Mukarramah and Al Madinah Al Munawwaraha.

1-5 During the year 2020, the Company acquired Taj Al Hudo for Real Estate Development Company, a limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010586987 issued on 8 Thul-Qi'dah 1440H (corresponding to 11 July 2019).

The Company is engaged in in real estate development of residential buildings with modern construction methods, real estate development of commercial buildings with modern construction methods, purchase and sale of real estate land, division and off-plan sales activities, management and leasing of owned or leased real estate (Residential), Management and leasing of leased owned real estate (non-residential), management and operation of hotel apartments non-Saudis are not entitled to practice real estate activities in Makkah Al Mukarramah and Al Madinah Al Munawwaraha.

1-6 During the year 2021, the Company incorporated Al Raayea Real Estate Company, a one-person limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010697309 issued on 18 Sha'ban1442H (corresponding to 31 March 2021). The Company is engaged in the general contracting of residential buildings with modern construction methods, buying and selling real estate land, its division and off-plan sales activities.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

1. Group information (continued)

a) Consolidated Subsidiaries (continued)

1-7 During 2021, the Company acquired 350 shares (out of a total of 500 shares) in Jadet Al Shatea Real Estate Company, a limited liability company under the companies' law in the kingdom of Saudi Arabia under commercial registration No. 4030381446 issued on 9 Shawwal 1441H (corresponding to 1 June 2020).

The Company is engaged in general contracting of residential buildings with modern construction methods, purchase and sale of real estate land, division and off-plan sales activities of lands.

1-8 During the year 2021, the Company participated in the establishment of Jadet Al Rabea Real Estate Company, a limited liability company under the companies' law in the kingdom of Saudi Arabia and under commercial registration No. 1010662510 dated 3 Rabi' al-Awwal 1442H (corresponding to 20 October 2020). Dar Al Majid Real Estate Company owns 25 cash shares out of a total of 100 cash shares in Jadet Al Rabea Real Estate Company. The remaining shares are in name of other individual shareholders, The Company manages and controls all the operations, funds and financial and strategy of the company, therefore, it has been consolidated in these consolidated financial statements.

1-9 During 2024, Al Raayea Real Estate Company owned 50% share in Burj Al Raayea Real Estate Company, a limited liability company that was established in 2024 under the Companies' Law in the Kingdom of Saudi Arabia under Commercial Registration No. 1009072138 issued on 11 Muharram 1446H (corresponding to 17 July 2024).

1-10 During the year 2022, the Company participated in the establishment of the Al Majdiah Investment Fund, a closed real estate investment fund that complies with Shariah standards and rules and was established by Jadwa Investment Company ("Fund manager"), which is a Saudi Closed Joint Stock Company under commercial registration No. 1010228782. Dar Al Majid Real Estate Company owns 1,000,000 units out of a total of 1,000,000 units in Al Majdiah Investment Fund. The Fund has a term of 3 periods, which is extendable two times for another one year for each extension, on the discretion of the Fund Manager after the approval of Capital Market Authority ("CMA").

1-11 During the year 2020, the Company subscribed in Al Dar Investment Fund, a closed real estate investment fund that complies with Shariah standards and rules and was establish by Jadwa Investment Company which is a Saudi Closed Joint Stock Company under commercial registration No. 1010228782. As at 31 December 2024, the Company directly owns 27% and indirectly owns 43% through Al Majdiah Investment Fund. The Fund has a term of 3 periods, which is extendable two times for another one year for each extension, on the discretion of the Fund Manager after the approval of CMA.

1-12 During the year 2022, the Company subscribed in Al Narjis Investment Fund, a closed real estate investment Fund that complies with Shariah standards and rules and was establish by Jadwa Investment Company which is a Saudi Closed Joint Stock Company under commercial registration No. 1010228782. As at 31 December 2023, the Company indirectly owns 64% through Al Majdiah Investment Fund. The Fund has a term of 3 periods, which is extendable two times for another one year for each extension, on the discretion of the Fund Manager after the approval of CMA.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

2-1-1 STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA) (referred to thereafter as “IFRS as endorsed in KSA”).

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for investment properties, financial assets at fair value through profit or loss, investment in equity instruments at fair value through other comprehensive income that have been measured at fair value, and end of service benefits that have been measured at Projected Unit Credit Method.

2-1-2 BASIS OF MEASUREMENT

These consolidated financial statements are presented in SR, which is the Group's functional and presentation currency. These consolidated financial statements have been rounded-off to the nearest SR unless otherwise stated.

2-2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) Exposure, or rights, to variable returns from its involvement with the investee; and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) the contractual arrangement with the other vote holders of the investee;
- b) Rights arising from other contractual arrangements; and
- c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date on which the Group gains control to the date on which the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the shareholders of the Parent Company of the Group and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Below are the standards and amendments effective on or after 1 January 2025 (unless otherwise stated), with no material effect on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

The amendments to IAS (21) “The Effects of Changes in Foreign Exchange Rates”, for annual financial periods beginning on or after 1 January 2025, clarify how an entity assesses whether a currency is exchangeable and how to determine the spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of the consolidated financial statements to understand how the lack of currency exchangeability affects, or is expected to affect, the entity’s consolidated financial performance, consolidated financial position, and consolidated cash flows.

The amendment has no material effect on the consolidated financial statements of the Group.

New and amended standards and interpretations that are issued, but not yet effective

New and amended standards and interpretations, issued but is not yet effective have not been adopted early by the Group and will be adopted on their effective date as applicable. The application of these standards and interpretations is not expected to have any material effect on the Group upon their effective date, except for IFRS (18), for which the Group is currently assessing the effect of its adoption on the consolidated financial statements.

<i>Standard, Amendment or Interpretation</i>	<i>Effective date</i>
- Amendments to IFRS (9) and IAS (7): Classification and Measurement of Financial Instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS Accounting Standards.	1 January 2026
- IFRS (18): Presentation and Disclosure in Financial Statements - replaces IAS (1) Presentation of Financial Statements.	1 January 2027
- IFRS (19): Subsidiaries without Public Accountability.	1 January 2027

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2-4-1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interests held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date.

If the reassessment results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-1 Business combination and goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, regardless of whether the assets or other liabilities of the investee have been allocated to those units.

2-4-2 Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but not control or joint control over those policies.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the investee since the acquisition date. Goodwill relating to the investee is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of the associate's operations. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown in the statement of profit or loss after operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share in results of an associate' in the statement of profit or loss.

Upon loss of material influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2-4-4 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each statement of financial position.

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for similar assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-4 Fair value measurement (Continued)

External valuers are involved in the valuation of significant assets, such as investment properties and unquoted financial assets. Involvement of external valuers is determined annually by the Audit and Risk Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated regularly.

The investment team verifies the major inputs applied in the latest valuation by agreeing the information used in the valuation computation to contracts and other relevant documents.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following items:

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment properties.
- Financial instruments (including in carried at amortized cost).

2-4-5 Properties and Buildings improvements

Capital work in progress is stated at cost, net of impairment losses. Properties and buildings improvements are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the properties and buildings improvements and borrowing costs (if any) for long-term projects if the recognition criteria are met. When significant parts of properties and buildings improvements are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the properties and building improvements as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	20 years
Building's improvements	5-10 years
Motor vehicles	7 years
Furniture and office equipment	5 – 7 years
Computers, software, and electronic devices	6.67 – 10 years

An item of properties and building improvements is derecognized upon disposal (i.e., the date on which the recipient obtains control) or when no future economic benefits are expected from its use. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of properties and buildings improvements are reviewed at each financial yearend and adjusted prospectively, if appropriate.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-6 Investment properties

Investment properties comprise completed property, property under development, or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment properties when it is held to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment properties principally consist of properties not substantially occupied for use by the group or in its operations, and not intended for sale during its ordinary course of business, but acquired primarily to generate rental income and increase capital. This property is rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Transfers are made to (or from) investment properties only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For the transfers from investment properties to inventory properties, the deemed cost for subsequent accounting is the fair value at the date of change in use. If one component of inventory properties becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognized in profit or loss. The Group considers the commencement of development for sale (to transfer from investment property to inventory properties) or the commencement of an operating lease with another party (to transfer from inventory properties to investment property) as evidence.

An investment property is derecognized either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS (15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The revenue and the cost of sales (carrying amount of the asset) is recognized in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

2-4-7 Inventory Properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property, is measured at the lower of cost and net realizable value.

Principally, this is a residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

Net realizable value presents the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When selling real estate and land held for development, the carrying amount of the property is recognized as an expense in the period in which the related revenue is recognized. The carrying amount of the inventory properties recognized in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2-4-8 Non-Current Assets Held for Sale

The Group classifies non-current assets (principally investment property) and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for the held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset, and the sale is expected to be completed within one year from the date of the classification.

Investment property held for sale continues to be measured at fair value. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

2-4-9 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement depends on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies individual recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payment and right-of-use assets, representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for accordance any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

<u>Category of Right-of-use assets</u>	<u>Lease term</u>
Buildings	4 years

The right-of-use assets are also subject to impairment.

b) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the year on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the commission rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of commission and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-9 Leases (Continued)

c) Short-term leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Group as a Lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards attributable to ownership of the underlying asset. Operating lease income is recognized in the consolidated statement of profit or loss on a straight-line basis over the lease term. All direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term using the same basis applied to the recognition of lease income.

The total benefit of incentives is recognized as a reduction of lease income on a straight-line basis, unless another basis is found more representative of the time frame over which the economic benefits of the asset are consumed by the lessor.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards related to ownership of the underlying asset. Amounts due from finance leases are recognized as lease receivables at an amount equal to the Group's net investment in the lease.

In the case of a sublease, the intermediate lessor may use the discount rate applied to the head lease if the interest rate implicit in the sublease cannot be readily determined, with appropriate adjustments for any initial direct costs associated with the sublease, in measuring the net investment in the sublease. Lease payments receivable are allocated into two portions: (1) a portion representing repayment of principal, and (2) a portion recognized as finance income to compensate the Group for its investment and services. Additional costs directly attributable to negotiating the lease are included in the amounts due, with a corresponding reduction in the amount of finance income recognized from the lease.

2-4-10 Intangible Assets (Right-of-land development assets)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected under cost of sales in statement of profit or loss when incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible production assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life assessment from indefinite to finite is made on a prospective basis.

Intangible assets are derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an asset (being the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the consolidated statement of profit or loss.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-11 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate (where applicable) that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statement of profit or loss.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-11 Impairment of non-financial assets (continued)

When an impairment loss is subsequently reversed, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in consolidated statement of profit or loss.

2-4-12 Financial instruments

Recognition and initial measurement

Account receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instrument)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-12 Financial instruments (Continued)

Financial assets at amortized cost (debt instrument)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective commission rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and Murabaha assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investment in equity instruments and discretionary portfolios under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and commission are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

This category includes units in investment funds. Dividends from investment funds are also recognized as income in consolidated statement of profit or loss when the right of payment has been established.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of Financial Assets

The Group assesses all information available, including a forward-looking basis the expected credit loss associated with its assets carried at amortized cost and debt instruments measured at fair value through other comprehensive income. The impairment method applied depends on whether there has been a significant large increase in credit risk. To assess whether there is a material increase in credit risk, the Group compares the risk of a default occurring at the asset as at the reporting date with the risk of default at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-12 Financial instruments (Continued)

Expected credit loss assessment for accounts receivables

For accounts receivable only, the Group recognizes expected credit losses on simplified approach under IFRS 9. The simplified approach to the recognition of expected credit losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the accounts receivable.

Over the term of the Murabaha receivables, the Group accounts for its credit risk by providing a provision for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each borrower and adjusts for forward looking macroeconomic data.

Write-off and control

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Classification of financial liabilities

The Group classifies its financial liabilities including long term bank facilities, Murabaha financings and trade payables, other than financial guarantees and loan commitments, all financial liabilities are recognized initially at fair value and in the cost of bank facilities and payables net of transactions cost. The Group financial liability included other payables and bank facilities, subsequently measured at amortized cost using EIR method. Gains and losses are recognized in the consolidated statement of profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss.

Accounts and other payables represent liabilities for goods or services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured. These are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of the financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount adjusting the gross carrying amount as modification gain or loss in the consolidated statement of profit or loss.

Financial Liabilities

The Group derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability distinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit or loss.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATRERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-12 Financial instruments (Continued)

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, there is a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Restricted cash

Restricted cash at bank is subject to certain restrictions and are not available for general use by the Group, and therefore, do not form part of cash and cash equivalents. The restricted cash relates to payment received from customers for the sale of off-plan residential units.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, which are subject to a non-material risks of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

2-4-13 Employees' benefits

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employee benefits are payable to all employees employed under the terms and conditions of the Labor Laws applicable on the Group and its subsidiaries, on termination of their employment contracts.

Defined benefit plans

In addition to the above, employees' defined benefit liabilities are provided for in accordance with the requirements of the Saudi Arabian Labor Law and the Group's policies. These employees' defined benefit liabilities represent a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit liability recognized in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected defined benefit obligation (DBO) at the statement of financial position date. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method. Re-measurement amounts, if any, are recognized and reported within equity under the consolidated statement of changes in shareholders' equity with corresponding debit or credit to OCI that comprises of actuarial gains and losses on the defined benefits obligation.

2-4-14 PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-15 Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable. An assessment is made at each reporting date to recognize contingent liabilities which are probable obligations arising from past events whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly under the control of the Group.

2-4-16 Borrowing cost

Borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds. The financing expenses related to off-plan sales projects are recognized over time in the statement of profit and loss once the contract is identified and approved by management.

2-4-17 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

The Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either:

- a) good or service that can be distinct; or
- b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer (i.e. each distinct good or service is satisfied over the time, and the same method is used to measure progress).

The Group satisfies a performance obligation and recognizes revenue over time, if the following criteria are met:

- a) The Group's performance does not create an asset with an alternate use to the Group, and the Group has an enforceable right to payment for performance completed to date.
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For the performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount consideration received from a customer exceeds the amount of services recognized, this gives rise to the contract liabilities.

Principal vs. Agent

Significant judgment is required to determine whether the Group is acting as a principal, reporting revenue on a gross basis, or as an agent, reporting revenue on a net basis. The Group assesses whether it controls the performance obligation for each service.

The Group evaluates different revenue categories; however, before concluding whether it acts as a principal or an agent, the Group exercises judgment, considering the nature of the product and solution provided, the complexity involved in delivering the product and solution, and the level of control the Group has over the process of delivering the product and solution.

Sales of products and services in which the Group acts as a principal are presented on a gross basis.

Sales of products and services where the Group does not participate in fulfilling the performance obligations are presented on a net basis.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-17 Revenue recognition (continued)

Sale of Off-Plan Properties Under Development

Revenue from the sale of properties under development is recognized when control of the properties is transferred to the customer. This is considered over time, as the performance obligations are satisfied over a period of time. Performance obligations in these arrangements generally comprise of several promises, including the unit, the land, and infrastructure. These promises are not distinct from the context of each contract and are highly interrelated and dependent on each other; therefore, the sale of properties consisting of units or land is generally considered a single performance obligation.

The Group does not create alternative-use assets and generally has a valid right to receive consideration for performance completed to date.

The Group considers that applying the input method, which requires recognizing revenue based on the Group's efforts to satisfy the performance obligation, provides the best measure of revenue actually earned. Within the input method context, the Group estimates the costs to complete the projects in order to determine the amount of revenue to be recognized and faithfully reflects the stage of completion of properties under development.

Rental income

The Group earns revenue from acting as a lessor in operating lease contracts that do not substantially transfer all the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment properties is recognized on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operational nature, except for contingent rental income, which is recognized when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as rental income.

Real estate commission income

The Group has contracts with customers to provide marketing services for the sale of properties owned by customers on their behalf. Under these contracts, the Group provides marketing services for these properties (i.e., marketing properties to suitable buyers and managing the sale process). The Group does not obtain control of the properties before they are transferred to the buyer. The Group acts as an agent and recognizes revenue on a net basis for these arrangements. Revenue is recognized at a point in time (i.e., when the property is sold) as this is when the customer benefits from the marketing services provided by the Group.

Revenue from development services

The Group has contracts with customers to provide real estate development services for real estate projects owned by customers on their behalf. Under these contracts, the Group provides development services (i.e., coordinating the selection of suitable contractors, managing the development process, and delivering it to customers) in exchange for a percentage of the development costs incurred. The Group does not obtain control of the properties when developing them and before transferring them to the customer. The Group acts as an agent and recognizes revenue on a net basis for these arrangements.

The Group recognizes revenue from real estate development services over time, as the customer simultaneously receives and consumes the benefits provided.

The Group recognizes revenue based on a percentage of costs incurred on real estate development projects for customers.

Maintenance income

The Group earns maintenance revenue from amounts received from customers upon the conditional exchange of contracts related to a five-year future maintenance obligation as part of the sale of real estate inventory. Maintenance income is recognized on a straight-line basis over the maintenance period and is included in revenue in the statement of profit or loss.

Significant financing component

The Group adjusts the promised amount of consideration, if any, for the time value of money if the contract contains a significant financing component.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2 MATERIAL ACCOUNTING POLICIES (Continued)

2-4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2-4-17 Revenue recognition (continued)

Measuring progress towards complete satisfaction of a performance obligation

For each performance obligation that is satisfied over time, the Group applies a single method of measuring progress toward complete satisfaction of the obligation. The Group selects an appropriate input and output method and then applies it continuously to similar performance obligations and under similar conditions.

Contract costs

Incremental costs of obtaining a contract are recognized as an expense unless the Group expects, with reasonable certainty, to recover these costs from its customers and where such costs are clearly chargeable to customers.

2-4-18 Zakat

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”). Provision for zakat for the Company and zakat related to the Company’s ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

4.19 Value added tax “VAT” and real estate transaction tax

Expenses and assets are recognized net of the amount of value added tax, except:

- When the value of added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position

The disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be VAT exempt and subject to a 5% real estate transaction tax (“RETT”). RETT is applicable on the transaction that took place on or after 4 October 2020. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020.

2-4-20 Dividends distribution

The Group establishes the obligations related to paying the cash dividends to the Company’s Shareholders when approving the distribution. According to the Saudi Arabian Regulations for Companies, dividends are approved upon approval by the Shareholders. The corresponding amount is directly recognized in equity.

2-4-21 Selling, distribution, general and administration Expenses

Selling, distribution, general and administration expenses include direct and indirect costs not specifically part of cost of revenues. Allocations between cost of revenues and selling, distribution, general and administration expenses, when required, are made on a consistent basis. The Group charges the payments, other than those related to volume-based rebates, made in respect of long-term agreements with customers and distributors to selling and distribution expense.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Group's consolidated financial statements, in conformity with IFRS as endorsed in KSA requires the use of judgements, estimates and assumptions. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well as the disclosure of certain contingent assets and liabilities as at the consolidated statement of financial position date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenues and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3-1 Judgements

Information about judgement made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following note:

Property lease classification

Group as a lessor:

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Going Concern

The Group's management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

Determining The Transfer of Control for Recognition of Revenue from Rendering of Services

Revenue from rendering of services is recognized when the services have been rendered to the customer. In making this assessment, the Group has exercised judgment based on the terms and conditions of the underlying contracts. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is included in the following notes.

Fair valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statement of profit or loss. The Group engaged an independent valuation specialist to assess the fair values as at 31 December 2025 and 31 December 2024. Further, where comparable market data is available, the Group revalue the property by relevance to transaction involving the properties of similar nature location and conditions. The Group engaged an independent valuation specialist to assess the fair values as at 31 December 2025 and 31 December 2024.

Defined benefit liabilities

The Group's net obligation in respect of defined benefit liability is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation is determined based on actuarial valuation at the statement of financial position date by an independent actuary using the Projected Credit Unit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. In Kingdom of Saudi Arabia, the discount rates used for determining the present value of the obligation under defined benefit plan are determined by reference to US bond yields, (as the SR is pegged to the US dollar) adjusted for an additional risk premium reflecting the possibility of the linkage being broken. Other assumptions include mortality rate, future salary increase and future funding increase.

Revenue from the Sale of Real Estate Units Under Development

The Group recognizes revenue from the sale of properties units under development over time based on management's assessment that its performance does not create an asset with an alternative use to the Group under the signed contracts with customers. Additionally, the Group has an enforceable right to receive payment for performance completed to date, based on the signed contracts with customers and in accordance with the laws and regulations of the Kingdom of Saudi Arabia.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3-2 ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Net Assets Value (“NAV”). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested for impairment. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Estimation of net realizable value for inventory property

Inventory property is stated at the lower of cost and net realizable value (NRV). Net realizable value for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment. Net realizable value in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

Estimate of useful lives and residual values

The useful life used to amortize or depreciate intangible assets or property and equipment respectively relates to the expected future performance of the assets acquired and management’s judgement based on technical evaluation of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. An asset’s expected life residual value has a direct effect on the depreciation charged in the consolidated statement of profit or loss. The useful lives and residual values of Group’s assets are determined by management based on technical evaluation at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Impairment loss on trade and other receivables

Accounts and other receivables are stated at their Amortized cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted appropriately for the future expectations. Individual receivables are written off when management deems them not to be collectible.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3-2 ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONTINUED)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in finance charges.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of real estate (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision for foreseeable losses

The Group recognizes an onerous contract provision (IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') for future losses on contracts where it is considered probable that contract costs are likely to exceed revenue at contract completion. Estimating future losses involves making a number of assumptions, (e.g. contractual position with the customer, vendors and subcontractors, negotiations with the customer, vendors and subcontractors, cost to complete estimates, past experience with the customer, vendors and subcontractors, etc.), about the achievement of contract performance targets and the likely levels of future cost escalations over time.

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

4 PROPERTIES AND BUILDING IMPROVEMENTS

	<i>lands</i> ﷲ	<i>Buildings</i> ﷲ	<i>Building improvements</i> ﷲ	<i>Motor vehicles</i> ﷲ	<i>Furniture and office equipment</i> ﷲ	<i>Computers, software and electronic devices</i> ﷲ	<i>TOTAL</i> ﷲ
<i>Cost</i>							
As at 1 January 2024	18,411,250	3,588,750	1,655,875	921,963	1,089,457	1,924,857	27,592,152
Additions	-	-	70,000	-	-	399,448	469,448
Disposal	-	-	-	-	-	(7,786)	(7,786)
As at 31 December 2024	18,411,250	3,588,750	1,725,875	921,963	1,089,457	2,316,519	28,053,814
Additions	1,100,000	-	4,713,791	60,430	539,519	2,680,365	9,094,105
Disposal	-	-	-	(169,500)	-	(6,271)	(175,771)
As at 31 December 2025	19,511,250	3,588,750	6,439,666	812,893	1,628,976	4,990,613	36,972,148
<i>Accumulated depreciation</i>							
As at 1 January 2024	-	451,691	226,169	522,469	705,603	895,049	2,800,981
Charge for the year	-	179,438	165,586	118,731	109,888	456,711	1,030,354
Disposal	-	-	-	-	-	(4,536)	(4,536)
As at 31 December 2024	-	631,129	391,755	641,200	815,491	1,347,224	3,826,799
Charge for the year	-	89,724	345,273	91,864	108,822	647,907	1,283,590
Disposal	-	-	-	(146,599)	-	(4,262)	(150,861)
As at 31 December 2025	-	720,853	737,028	586,465	924,313	1,990,869	4,959,528
<i>Net book value</i>							
As at 31 December 2024	18,411,250	2,957,621	1,334,120	280,763	273,966	969,295	24,227,015
As at 31 December 2025	19,511,250	2,867,897	5,702,638	226,428	704,663	2,999,744	32,012,620

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

5 RIGHT-OF-LAND DEVELOPMENT ASSETS

The Group has a land development right contract for developing land owned by the National Housing Company. The land development right contract is transfer to properties inventory based on percentage of completion method. The following shows the carrying amount of the recognized right-of-land development assets and the movement during the year:

	2025 ﷲ	2024 ﷲ
Cost		
Additions during the year	99,083,872	-
At 31 December	<u>99,083,872</u>	<u>-</u>
Accumulated transfer to properties inventory:		
Transfer during the year	25,915,437	-
At 31 December	<u>25,915,437</u>	<u>-</u>
Carrying amount	<u>73,168,435</u>	<u>-</u>

Set out below are the carrying amount of the recognized right-of-development liability and the movements during the year:

	2025 ﷲ	2024 ﷲ
Additions	99,083,872	-
Finance cost (note 25)	2,473,611	-
Amount due to be paid /paid	(28,389,048)	-
At 31 December	<u>73,168,435</u>	<u>-</u>
Current	26,044,658	-
Non-current	47,123,777	-

The following are the amounts recognized in the consolidated statement of profit or loss and the consolidated statement of financial position:

	2025 ﷲ	2024 ﷲ
Transfer to properties inventory (note 7)	23,892,397	-
Commission on right-of-land development contract liability (note 25)	2,473,611	-
Costs of right-of-land development assets (note 22-2)	2,023,040	-
Total	<u>28,389,048</u>	<u>-</u>

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

6 INVESTMENT PROPERTIES

	2025 ﷲ	2024 ﷲ
Lands	6,034,376	6,214,360
Buildings	428,594,150	155,438,432
	<u>434,628,526</u>	<u>161,652,792</u>

6.1 MOVEMENT IN INVESTMENT PROPERTIES

	2025 ﷲ			2024 ﷲ		
	<i>Lands</i>	<i>Buildings</i>	<i>Total</i>	<i>Lands</i>	<i>Buildings</i>	<i>Total</i>
At 1 January	6,214,360	155,438,432	161,652,792	25,029,719	139,908,936	164,938,655
Development works for owned properties	-	6,606,670	6,606,670	31,597	14,827,050	14,858,647
Disposals (under cost of sales)	-	(439,472)	(439,472)	-	-	-
Remeasurement adjustment	(179,984)	53,298,126	53,118,142	(846,956)	702,446	(144,510)
Transferred from (to) properties inventory (note 7)	-	213,690,394	213,690,394	(18,000,000)	-	(18,000,000)
At 31 December	<u>6,034,376</u>	<u>428,594,150</u>	<u>434,628,526</u>	<u>6,214,360</u>	<u>155,438,432</u>	<u>161,652,792</u>

a) Description of significant observable inputs of valuation

The significant unobservable inputs used in the fair value measurements of investment properties categorized within Level 2 of the fair value hierarchy as at 31 December 2025 and 31 December 2024 are as follows:

<i>Investment property</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>(weighted average)rate</i>	
			2025	2024
Qassim Land	Market comparable approach	Price per Sqm	1,220 per Sqm	1,250 per Sqm
			9,729 per Sqm (Land)	9,000 per Sqm (Land).
Al Yasmeen building	Income capitalization approach	Price per Sqm Annual rental growth and long-term vacancy rate	3,251 per Sqm (Building) 7.5%	3,839 per Sqm (Building) 8%
			Al Malqa project building	Income capitalization approach
Al majaz building	Income capitalization approach	Price per Sqm Annual rental growth and long-term vacancy rate		
			Ayla chalet	Income capitalization approach
Al Qirawan building	Market comparable approach	Price per Sqm		
			1,438 per Sqm (Building) 12%	-
			11,000 per Sqm (Land)	-
			3,560 per Sqm (Building)	-

DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

6 INVESTMENT PROPERTIES (Continued)

6-1 MOVEMENT IN INVESTMENT PROPERTIES (Continued)

a) Description of significant observable inputs of valuation (Continued)

The Group entered into a lease contract with an external lessee for one of the two projects reclassified from properties inventory for a period of ten years, with a total lease value of 15 million ﷲ and an upward lease increase after the fifth year. The property's fair value is determined based on a market comparison approach between the valued properties and similar recently sold properties located in the same area. The value indicator of the valued property is derived by applying appropriate comparison units and adjusting the sale prices of comparable properties based on comparative elements.

The valuations were performed by Olat Real Estate (OPM), a subsidiary of Olat Real Estate Valuation Company, and Qiam Valuation — both of which are independent valuation firms with recognized professional qualifications, relevant expertise, and experience in the location and type of the investment property being valued, and are accredited by the Saudi Authority for Accredited Valuers ("TAQEEM") under membership numbers 1210000397 and 1210000052, respectively. The recommended valuation method of the International Valuation Standards Committee was applied, and the valuation model complies with the principles set out in IFRS (13).

7 PROPERTIES INVENTORY

The Group has subsidiaries that develop residential properties, which they sell in the ordinary course of business. The Group entered into contracts to sell some of these properties. The Group classified all properties as current assets which are expected to be completed and sold in the next 12 months, except for properties under development which are not expected to be completed in the next 12 months.

A summary of movement in inventory properties is set out below.

	2025 ﷲ	2024 ﷲ
At 1 January	1,693,445,511	1,494,586,457
Development costs incurred	767,201,666	1,153,366,461
Borrowing cost capitalized (note 7-1 and 25)	41,812,888	30,245,333
Amortization costs of assets related to right-of-land development assets transferred to properties inventory (note 5)	23,892,397	-
Transferred (to) from investment properties (note 6)	(213,690,394)	18,000,000
Disposals (Under cost of sales) (note 7-3 and 22-2)	(794,557,835)	(1,002,752,740)
At 31 December	<u>1,518,104,233</u>	<u>1,693,445,511</u>
Inventory properties expected to be completed and sold within the next 12 months	376,718,318	723,915,374
Inventory properties under development not expected to be completed and sold within the next 12 months	1,141,385,915	969,530,137
	<u>1,518,104,233</u>	<u>1,693,445,511</u>

7-1 BORROWING COSTS CAPITALIZED

The Group has various outstanding projects as at 31 December. These projects are expected to be completed at different intervals ranging from 1- 4 years. The carrying amount of these project at 31 December 2025 was 1,518,4 million ﷲ (2024: 1,693,4 million ﷲ).

All of these projects are financed through bank facilities available to the Group, amounting to 1,303.2 million ﷲ as at 31 December 2025 (2024: 1,149 million ﷲ).

The amount of borrowing costs capitalized during the year ended 31 December 2025 was 41.8 million ﷲ (2024: 30.2 million ﷲ).

7-2 WHITE LAND FEES

The Group has received a number of White Land Fees invoices totaling 18.8 million ﷲ, related to lands within the geographic scope of the White Land Fees program in Riyadh. The Group clarifies that it is currently reviewing these invoices and completing the required regulatory procedures, including filing formal objections to certain invoices within the prescribed timelines and controls, and fulfilling other statutory requirements based on its legal right to file an objection on fees. Management confirms that these invoices do not have any material impact on the Group's operational activities or consolidated financial position.

**DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

7 PROPERTIES INVENTORY(CONTINUED)

7-3 AMOUNTS RECOGNIZED UNDER COST OF SALES – PROPERTIES UNITS FOR THE YEAR AS FOLLOWS:

	2025 ﷲ	2024 ﷲ
Relating to sale of properties units (note 7-3-1 and 22-2)	598,593,252	694,994,116
Relating to sale of lands (note 7-3-2 and 22-2)	195,964,583	307,758,624
	<u>794,557,835</u>	<u>1,002,752,740</u>

7-3-1 The cost of completed properties inventory includes 515.3 million ﷲ (2024: 31.9 million ﷲ) related to the sale of off-plan properties units (note 22-2).

7-3-2 This amount represents the cost of lands held for sale classified as properties inventory and sold during the year.

8 INVESTMENT IN ASSOCIATES

The Group has a share in First Avenue Real Estate Development Company which is involved in real estate development activities in Saudi Arabia. The Group's share in First Avenue Development Company is accounted for using the equity method in the consolidated financial statements.

8-1 Effective 1 September 2021, the Group obtained 15% equity of First Avenue Real Estate Development Company for a total consideration of 60.75 million ﷲ. On 22 November 2022, the Group entered into an agreement with the Investee to buy an additional 484,795 shares at a price of 65 ﷲ per share and total value of 31.5 million ﷲ in exchange for 2,442,578 units in Al Shorfa Investment Fund at a price of 12.9 ﷲ per unit shares and a total value of 31.5 million ﷲ resulting in the Group's total shareholdings of 17.57% as at year end.

8-2 On 7 June 2023, the Associate's Board members in the extraordinary meeting approved to issue 1 share for each 2 shares as a transfer at 74,948,967 ﷲ from share premium to share capital. Out of this, the amount of 18,135,427 ﷲ was given against the employee share incentive program. Therefore, the Group's total shareholdings decreased from 17.57 % to 15.79% as result of forfeiture of the respective shares towards employees of the associate resulting in decrease in the ownership percentage in investment and recorded losses of 3,167,828 ﷲ.

8-3 On 27 August 2024, the Group sold a portion of its shares in First Avenue Real Estate Development Company, at a number of 10,911,411 shares, to Makkah Construction and Development Company. Consequently, the Group's ownership percentage of the shares decreased from 15.79% to 10% as a result of the sale of the shares. The sale of the shares resulted in a profit of 12,299,199 ﷲ.

8-4 On 14 August 2024, First Avenue Real Estate Development Company announced in its prospectus the offering of 16.42 million new shares in the Parallel Market "Nomu". The offered shares represented 8.01% of the Group's share capital after the offering, bringing the total share capital to 205,000,000 ﷲ. On 5 September 2024, the Saudi Capital Market Authority announced the issuance of its board resolution approving the offering and listing of the Group's shares on the Nomu - Parallel Market. The offering period for the Group's shares commenced on 10 September 2024, and lasted for five business days, and concluded on 16 September 2024. The Group's shares were subsequently listed on 16 October 2024. As a result, the Group's ownership percentage in the shares decreased from 10% to 9.2% following the offering. Consequently, the Group lost its significant influence over the associate company, leading to the reclassification of the investment to investment in fair value through other comprehensive income (note 9). The Group's ownership in the associate before the offering and share reduction stood at 10%.

8-5 On 7 November 2024, the Group participated in Jadwa Al-Majdiah Real Estate Fund 2, a closed-ended real estate investment Fund that is compliant with Shariah standards and regulations. The Fund was established and is managed by Jadwa Investment Company ("Fund Manager"), a closed joint stock company based in Riyadh, under Commercial Registration No. (1010228782). The Group holds 34.78% of the Fund's equity through Al-Majdiah Investment Fund. The Fund has three investment periods, which may each be extended twice for an additional year per extension, subject to the approval of the Fund Manager and the Capital Market Authority

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8 INVESTMENT IN ASSOCIATES (Continued)

8-6 On 12 September 2023, the Group participated in Al-Majdiah Office Tower Fund, a closed real estate investment fund that is compliant with Shariah standards and rules. The Fund was established and is managed by Musharaka Company (“Fund Manager”), a closed joint stock company based in Khobar, under Commercial Registration No. (2051056409). The Group holds a variable ownership interest in the Fund based on the project development percentage, whereby the development percentage is converted into an ownership interest in the Fund through Dar Al Majid Real Estate Company. The Fund has three terms, each of which may be extended twice, for an additional one year per extension, subject to the approval of the fund manager after obtaining the approval of the Capital Market Authority.

The following table presents a summarized financial information of the Group’s investments for the year ended 31 December:

<i>Investment name</i>	<i>Ownership interest</i>	<i>Current assets</i> ﷲ	<i>NON-CURRENT ASSETS</i> ﷲ	<i>Current liabilities</i> ﷲ	<i>Non-current liabilities</i> ﷲ	<i>Equity</i> ﷲ	<i>Revenue</i> ﷲ	<i>Total Loss</i> ﷲ	<i>Total comprehensive Loss</i> ﷲ	<i>Group’s share in equity</i> ﷲ
31 December 2025										
Jadwa Al-Majdiah Real Estate Fund 2	34.78%	147,616,670	1,240,018,801	47,188,693	900,000,000	440,446,778	-	(19,553,222)	(19,553,222)	152,971,016
Al-Majdiah Office Tower Fund	23.60%	3,390,894	87,541,601	2,949,518	-	87,982,977	267,800	(971,090)	(971,090)	20,763,983
31 December 2024										
Jadwa Al-Majdiah Real Estate Fund 2	34.78%	207,898,959	1,157,045,588	5,451,885	900,000,000	459,492,662	-	-	-	160,000,000

A summary of movement in investment in an associate is set out below:

	<i>2025</i> ﷲ	<i>2024</i> ﷲ
At 1 January	160,000,000	120,847,554
Additions	20,763,404	160,000,000
Share of results of associates	(7,028,405)	6,795,138
Share in other comprehensive income	-	6,703,533
Loss from the transfer of shares to employees of the associate (note 8-2)	-	(3,167,828)
Disposal (note 8-3)	-	(47,931,131)
Dividends	-	(3,206,202)
Transferred to investments in equity instruments at fair value through other comprehensive income (note 8-4 and 9)	-	(80,041,064)
	<u>173,734,999</u>	<u>160,000,000</u>

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9 INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2025, the Group holds a 9.2% share in First Avenue Real Estate Development Company, which is engaged in real estate development activities in the Kingdom of Saudi Arabia. As outlined in (note 8), the Group accounted for its share in First Avenue Real Estate Development using the equity method in the consolidated financial statements. However, following the listing of the investee company in the Nomu Parallel Market and the decrease in the Group's ownership share percentage, the Group lost its significant influence over the investee. Consequently, the Group reclassified the investment to fair value through other comprehensive income, which the Group has chosen to treat as irrevocable and to recognize changes in fair value through other comprehensive income, considering it a strategic investment.

The details of equity instruments at fair value through other comprehensive income are as follows:

<u>Company</u>	<u>Country of incorporation</u>	<u>% of shareholding</u>	
		2025	2024
First Avenue Real Estate Development Company	Saudi Arabia	9,2 %	9.2%

The movement in investments in equity instruments at fair value through other comprehensive is as follows:

	2025	2024
	ﷲ	ﷲ
At 1 January	164,504,498	-
Transferred from investment in an associate (note 8)	-	80,041,064
Unrealized (loss) profit of fair value change	(51,513,409)	84,463,434
	<u>112,991,089</u>	<u>164,504,498</u>

The movement in fair value reserve is as follows:

	2025	2024
	ﷲ	ﷲ
At 1 January	84,463,434	-
Unrealized (loss) profit of fair value change	(51,513,409)	84,463,434
	<u>32,950,025</u>	<u>84,463,434</u>

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	ﷲ	ﷲ
Real estate funds (note 10-1)	68,485,162	44,859,391
	<u>68,485,162</u>	<u>44,859,391</u>

The movements during the year were as follows:

	2025	2024
	ﷲ	ﷲ
At 1 January	44,859,391	74,115,169
Transferred to investment in an associate (note 8)	-	(160,000,000)
Additions	32,296,020	946,822,612
Disposals	(19,319,188)	(826,269,727)
Valuation gains	10,648,939	10,191,337
At 31 December	<u>68,485,162</u>	<u>44,859,391</u>

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10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

10-1 The Group has investments in three real estate funds as at 31 December:

	2025 ﷲ	2024 ﷲ
Al-Manzil Investment Fund	58,437,120	21,800,000
Al Dar Investment Fund 2	7,819,323	12,701,750
Al Dar Investment Fund 3	1,375,240	9,504,162
Al Shorfa Investment Fund	853,479	853,479
At 31 December	<u>68,485,162</u>	<u>44,859,391</u>

11 TRADE RECEIVABLES AND CONTRACT ASSETS

11-1 TRADE RECEIVABLES

	2025 ﷲ	2024 ﷲ
Trade receivables	57,430,486	80,797,260
Less: Provision for expected credit losses	<u>(3,055,712)</u>	<u>(7,034,517)</u>
	<u>54,374,774</u>	<u>73,762,743</u>

Terms and conditions of the above financial assets are as follows:

Trade receivables are non-interest bearing and are generally settled within 30 days. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

	2025 ﷲ	2024 ﷲ
Movement in allowance for expected credit losses		
At 1 January	7,034,517	3,913,312
(Reversal of) charge for the year	<u>(3,978,805)</u>	<u>3,121,205</u>
At 31 December	<u>3,055,712</u>	<u>7,034,517</u>

11-2 CONTRACT ASSETS

	2025 ﷲ	2024 ﷲ
Contract assets - Real estate development (note 11-2-1)	12,574,034	66,674,567
Contract assets - off-plan sales (note 11-2-2 and 11-2-3)	<u>105,406,518</u>	<u>21,932,736</u>
Total contract assets	117,980,552	88,607,303
Contract liabilities - off-plan sales (note 11-2-2 and 11-2-3)	<u>(28,478,460)</u>	<u>-</u>
	<u>89,502,092</u>	<u>88,607,303</u>

11-2-1 Contract assets are initially recognized for revenue earned from real estate development and management services rendered but yet to be billed to customers as at the year end. Upon billing of invoice, amounts that are recognized as contract assets are reclassified to trade receivables.

11-2-2 The assets of off-plan sale contracts represent the total amounts expected to be collected from off-plan sale customers with whom contracts have been signed to sell properties units off-plan, in exchange for the executed contract works. These are measured based on the incurred costs plus recognized profits, minus any progress billings collected and recognized losses.

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11 TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

11-2 CONTRACT ASSETS (continued)

11-2-3 Contract assets - off-plan sales

	2025 ﷲ	2024 ﷲ
Value of Project Contracts	1,187,203,147	101,860,000
Less: Value of un-executed works	<u>(445,502,810)</u>	<u>(58,227,163)</u>
Value of executed works	741,700,337	43,632,837
Less: Progress billings and advances	<u>(664,772,279)</u>	<u>(21,700,101)</u>
	<u><u>76,928,058</u></u>	<u><u>21,932,736</u></u>

Following is the movement in the contract assets of off-plan sales during the year:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	21,932,736	-
Value of executed works during the year (note 22-1)	698,067,500	43,632,837
Less: Progress billings and advances	<u>(643,072,178)</u>	<u>(21,700,101)</u>
	<u><u>76,928,058</u></u>	<u><u>21,932,736</u></u>

Recognized as follows in the consolidated statement of financial position:

	2025 ﷲ	2024 ﷲ
Contract assets (note 11-2)	105,406,518	21,932,736
Contract liabilities (note 20)	<u>(28,478,460)</u>	<u>-</u>
	<u><u>76,928,058</u></u>	<u><u>21,932,736</u></u>

12- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	2025 ﷲ	2024 ﷲ
VAT receivable (note 12-1)	80,507,788	49,479,114
Advances to suppliers	58,248,002	35,334,043
Advances for purchase of investment	18,075,735	-
Prepaid expenses	12,627,545	16,121,527
Finance lease contracts	5,005,000	-
Performance retentions	4,959,502	-
Cash deposits against bank guarantees (note 12-2)	2,000,000	11,140,243
Real estate disposal tax (note 12-3)	597,495	1,852,735
Employees receivable	413,445	602,719
Rental revenues due	150,000	-
Due bank deposits revenue	83,487	-
Others	260,425	879,020
	<u><u>182,928,424</u></u>	<u><u>115,409,401</u></u>

12-1 The above VAT receivable relates to the purchase of goods and services. Subsequent to year end, the Group has submitted its VAT declaration, the tax advisor and the management of the Group are confident that the above amounts will be reimbursed within the statutory time frame.

12-2 Cash deposits against Letters of guarantee represent the balance held by bank in favor of one supplier by Al Rajhi Bank. The amount is restricted by the bank.

12-3 The above tax represents real estate disposal tax collected from customers on selling property units and it is computed based on 5% of the unit value. Subsequent to year end, the Group has submitted its declaration, the tax advisor and the management of the Group are confident that the above amounts will be reimbursed within the statutory time frame.

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13 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties represent the shareholders, key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

13-1 AMOUNTS DUE FROM RELATED PARTIES

<i>Related Parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Amount of transaction</i>		<i>Balance</i>	
			<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
			<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
Al Dar Investment Fund 2	Related Party	Expenses paid on behalf	3,909,788	-	3,909,788	-
First Avenue Real Estate Development Company	Related Party	Proceeds received	(328,997)	(2,748,183)	3,317,752	3,646,749
Shareholders (note 13-1-1)	IPO recoverable debts	Proceeds received, IPO (expenses)	(16,631,256)	9,853,471	-	16,631,256
Dar Almajid investment Company	Shareholder	Expenses paid on behalf / proceeds received	101,897	(3,438)	101,897	-
Dar Almajid Holding Company	Majority shareholder	Expenses paid on behalf / proceeds received	69,000	(704,259)	69,000	-
					7,398,437	20,278,005

13-1-1 This amount represents the IPO cost which is agreed to be reimbursed by the shareholders upon successful completion of listing process, and it have been settled by the shareholders.

13-1-2 The above balances are unsecured, interest free with no fixed repayment date. The management estimates the allowance for the amounts due from related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balance from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

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13 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

13-2 AMOUNTS DUE TO RELATED PARTIES

<i>Related Parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Amount of transaction</i>		<i>Balance</i>	
			<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
			<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
Related party to a subsidiary	Partner in a subsidiary	Project financing of subsidiary	2,045,587	23,330,859	25,376,446	23,330,859
Related party to a subsidiary	Partner in a subsidiary	Project financing of subsidiary	2,045,587	23,330,859	25,376,446	23,330,859
Emmar Opportunities Real Estate	SPV of subsidiary	(Repayment) / Finance charges	8,524,750	9,268,531	17,958,176	9,433,426
	Fund manager of subsidiary					
Jadwa Investment Company	investment funds	Management fees (note 23)	-	4,232,734	-	-
		performance fees (note 23)	-	15,893,955	-	-
		Repayment	(2,355,237)	(53,363,924)	1,166,299	3,521,536
Related party to a subsidiary	Partner in a subsidiary	Project financing of subsidiary	-	(56,000,000)	-	-
		Repayment	(80,547,810)	101,124,790	-	80,547,810
Related party to a subsidiary	Partner in a subsidiary	Repayment	(37,849,262)	-	-	37,849,262
Albilad Investment Company	Custodian of subsidiary	Repayment	(70,058)	59,729	-	70,058
					69,877,367	178,083,810

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13 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

13-3 KEY MANAGEMENT COMPENSATION

	2025 ﷲ	2024 ﷲ
Short term employees' benefits	28,642,687	23,241,229
Termination benefits	1,941,856	603,432
	<u>30,584,543</u>	<u>23,844,661</u>
Board of Directors remuneration	<u>2,184,000</u>	<u>2,029,000</u>

14 RESTRICTED CASH

Restricted cash includes accounts amounting to 216.9 million ﷲ (2024: 31.4 million ﷲ) related to payments received from customers for the sale of off-plan property units. The Group is required to obtain approval to withdraw any amounts held in the project accounts from the Off-Plan Sale and Lease Committee ("Wafi"), which works under the Ministry of Municipal, Rural Affairs, and Housing.

15 CASH AND CASH EQUIVALENTS

	2025 ﷲ	2024 ﷲ
Cash at banks	100,644,413	81,770,399
Short term deposit (note 15-1)	-	40,000,000
Cash on hands	41,928	7,713
	<u>100,686,341</u>	<u>121,778,112</u>

15-1 Short-term deposits have been placed for varying periods ranging from one day to three months, based on the Group's immediate cash requirements, earning a commission at the rates applicable to the specific short-term deposits, with a yield rate of 5.5%.

16 RESERVE

This balance represents the provided amounts appropriated for from net income of prior years as a statutory reserve, in accordance with the requirements of the previous Companies Law and the Company's by-laws prior to alignment with the new Companies Law. The use of this reserve is subject to resolutions of the shareholders' general assembly.

On 25 Rajab 1447H (corresponding to 14 January 2026), the Company held an Extraordinary General Assembly meeting at which approval was obtained to transfer the Company's statutory reserve balance to retained earnings.

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17 BANK FACILITIES

The Group entered into Murabaha agreements with banks to obtain bank facilities, as detailed below:

	<i>Effective interest rate</i>	<i>Maturity Date</i>	2025 ﷲ	2024 ﷲ
Al-Rajhi Bank	SIBOR + +1.35%	2026 - 2030	565,426,123	256,388,264
Arab National Bank	SAIBOR+2.4%	2027	250,078,774	397,357,896
Banque Saudi Fransi	SIBOR+1.5%	2027	208,485,600	209,737,252
Masar Al Nomou Finance Company	5.5%	2026 - 2027	191,868,515	173,150,000
Riyad Bank	SIBOR+1.5%	2029	87,383,000	112,383,000
			<u>1,303,242,012</u>	<u>1,149,016,412</u>
Current			328,105,335	165,000,000
Non - Current			<u>975,136,677</u>	<u>984,016,412</u>

Set out below is the movement of Commission-bearing bank facilities:

	2025 ﷲ	2024 ﷲ
At 1 January	1,149,016,412	630,176,652
Add: Proceeds	2,233,739,659	2,884,254,291
Less: Repayment	(2,079,514,059)	(2,365,414,531)
At 31 December	<u>1,303,242,012</u>	<u>1,149,016,412</u>
Less: Long term portion of bank facilities	<u>975,136,677</u>	<u>984,016,412</u>
Current portion of bank facilities	<u>328,105,335</u>	<u>165,000,000</u>

In 2021, the Group entered into an agreement to obtain a loan from Al Rajhi Bank amounting to 720 million ﷲ. The loan was intended to finance the purchase of real estate land and related development and construction activities, and an amount of 603.4 million ﷲ was drawn. During 2025, the Group extended the validity of the facilities. The loan has a five-year term and is repayable after three years from the drawdown date, and carries a profit margin of SAIBOR + 1.35%. The loan is secured against the real estate guarantees of no less than 117.5% from the total finance.

During 2022, the Group signed an agreement to obtain a loan from Arab National Bank. The loan is for the purpose to finance Group's investment in assets and other development projects. The term of the loan span over a period of 5 years and to be repaid in 2027. The loan carries a SAIBOR margin of +2.4%. The loan is secured against promissory notes with 200 million ﷲ.

During 2023, the Group signed an agreement to obtain a loan from Banque Saudi Fransi. The loan is for the purpose to purchase a land in Riyadh city. The loan is repayable after three years from the loan's drawdown date. On 6 April 2025, the Group extended the validity of the facilities, and the loan carries SAIBOR margin of +1.5%. The loan is secured against the real estate guarantees of no less than 110% from the total finance.

During April 2024, the Group signed an agreement to obtain a loan from Masar Al Nomou Finance Company. The loan aims to finance the development of three real estate projects. The loan term extends over 24 months from the date of execution, and it is to be repaid in the year 2026. In 2025, the Group signed a facilities agreement with a profit margin of 6%. The loan is secured against the real estate guarantees of no less than 130% from the total finance.

During 2023, the Group signed an agreement to obtain a loan from Riyadh Bank amounting to 500 million ﷲ. The loan is for the purpose to finance of the acquisition of real estate lands and related development and construction, In 2024, an amount of 112 million ﷲ was drawn, with 25 million ﷲ scheduled for repayment in 2025. The remaining balance is to be repaid in a single installment five years after the date the company became eligible for the loan. The loan carries a margin of SAIBOR +1.5%. The loan is secured against the real estate guarantees of no less than 133% from the total finance.

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17 BANK FACILITIES (continued)

The finance charges and amortization of transaction costs related to bank facilities for the year ended 31 December 2025, amounted to 114 million ﷲ (2024: 33.8 million ﷲ), out of which 41.8 million ﷲ (2024:30,2 million ﷲ) was capitalized within inventory properties (note 7 and 25).

At 31 December 2025, the Group had 976,6 million ﷲ (31 December 2024: SR 1,146,6 million ﷲ) in available undrawn bank facilities.

18 EMPLOYEES' DEFINED BENEFIT LIABILITIES

18-1 GENERAL DESCRIPTION OF BENEFITS

The Group operates an unfunded end of service benefits plan in accordance with the labor laws prevailing in the Kingdom of Saudi Arabia. A provision is made for the plan benefit on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method.

	2025 ﷲ	2024 ﷲ
Net defined benefit liability	7,455,105	6,355,884

18-2 MOVEMENT IN NET DEFINED BENEFIT LIABILITY

	2025 ﷲ	2024 ﷲ
As at 1 January	6,355,884	4,984,678
Charge for the year	2,513,563	1,689,271
Benefits paid	(548,203)	(486,894)
Re-measurement (gains) losses	(866,139)	168,829
As at 31 December	<u>7,455,105</u>	<u>6,355,884</u>

18-3 NET BENEFIT EXPENSES

	2025 ﷲ	2024 ﷲ
Included in profit or loss		
Current service cost	2,212,150	1,506,793
Finance cost	301,413	182,478
	<u>2,513,563</u>	<u>1,689,271</u>

	2025 ﷲ	2024 ﷲ
Included in other comprehensive income:		
Re-measurement (gains) losses due to:		
Financial assumptions	(866,139)	168,829
	<u>(866,139)</u>	<u>168,829</u>

18-4 PRINCIPAL ACTUARIAL ASSUMPTIONS

The significant assumptions used in determining end of service benefit liabilities for the Group's plan are shown below:

	2025	2024
Discount rate	5.59%	5.59%
Salary increase rates	4%	5%
Turnover rate per annum	25%	25%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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18 EMPLOYEES' DEFINED BENEFIT LIABILITIES (continued)

18-5 SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2025 ﷲ	2024 ﷲ
Discount rate		
Increase by 1%	6,669,728	5,876,098
Decrease by 1%	7,864,683	6,367,331
Long term salary increases		
Increase by 1%	7,867,868	6,287,908
Decrease by 1%	6,656,804	5,947,823

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period. It is based on a change in a significant assumption, keeping all other assumptions constant and may not be representative of an actual change in the defined benefit liability as it is unlikely that changes in assumptions would occur in isolation of one another.

19 TRADE AND OTHER PAYABLES

	2025 ﷲ	2024 ﷲ
Trade and other payables	242,132,526	182,113,620
Accrued expenses	89,853,384	29,416,578
Accrued finance expenses	16,739,906	15,386,465
Provision for onerous contracts (note 19- 1)	2,883,871	33,896,677
VAT payable	2,074,925	739,570
Real estate tax payable	684,088	4,735,355
	<u>354,368,700</u>	<u>266,288,265</u>

19-1 A provision is recognized for certain contracts with contractors for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year. The Group has determined to provide for a provision in coordination with the legal advisor who has decided to pursue the legal claim of the same amount against the previous contractor due to its negligence.

20 CONTRACT LIABILITIES

	2025 ﷲ	2024 ﷲ
Contract liabilities – customer deposits and advance payments	137,992,582	171,676,994
Contract liabilities - off-plan sales (note 11)	<u>28,478,460</u>	-
	166,471,042	171,676,994
Current portion	120,453,897	129,907,985
Non-current portion	46,017,145	41,769,009

Contract liabilities include amounts received from customers on conditional exchange of contracts relating to future maintenance obligation as part of completed inventory properties sale contract. The Group received certain non-refundable deposits for a five-year maintenance service. Total contract liabilities relating to customer deposits amounted to 17.5 million ﷲ (31 December 2024: 33.6 million ﷲ).

Contract liabilities also include 148.9 million ﷲ (31 December 2024: 138.1 million ﷲ) advance payments from customers in exchange of real estate development and management services performed by the Group.

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21 ZAKAT PROVISION

Movement in the Zakat provision:

	2025 ﷲ	2024 ﷲ
As at 1 January	15,890,929	20,117,522
Charge during the year	6,194,008	9,754,449
Reversal of allowance	(2,854,101)	-
Paid during the year	(11,250,534)	(13,981,042)
As at 31 December	<u>7,980,302</u>	<u>15,890,929</u>

Status of Zakat Assessments

During 2022, the Company obtained approval from ZATCA to submit a consolidated zakat return which included the results of the Parent Company and its wholly owned subsidiaries as mentioned in note (1). The Group submitted its first consolidated zakat return to ZATCA for the year ended 2022, and its zakat declaration for the year 2023. The zakat assessment has not been issued by ZATCA yet. During the year ended 31 December 2025, the Group filed its consolidated zakat return to ZATCA for the year 2024.

Below is the status of assessments of the Company's and its wholly owned subsidiaries for which separate returns have been filed by the respective companies up to the year 2021:

Dar Almajid Real Estate Company (Parent Company)

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Husam and Majid Sons of Abdul Rahman Al Majed Real Estate Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Mohammed and Khalid Sons of Abdul Rahman Al Majid Real Estate Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Fikra Estesmar for Real Estate Development Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Al Raayea Real Estate Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Taj Al Hudo for Real Estate Development Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

Nibras Al Amaken for Real Estate Development Company

The Company submitted its individual zakat returns to ZATCA for all years up to the year ended 2021. It also submitted a consolidated zakat return for the years 2022, 2023, and 2024. The last final assessment received was in 2020 and has been settled.

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21 Zakat Provision (Continued)

Below is the status of the Zakat assessments for the subsidiaries not wholly owned by the Group and which file their returns separately:

Jadet AlShatea Real Estate Company

The subsidiary submitted its separate Zakat returns to ZATCA for all years up to the year ended 2024. However, no zakat assessment has been raised yet.

Jadet Al Rabea Real Estate Company

The subsidiary submitted its separate Zakat returns to the Zakat, Tax and Customs Authority (“ZATCA”) for all years up to the year ended 2024. However, no zakat assessment has been raised yet.

Burj Al Raayea Real Estate Company

Burj Al Raayea Real Estate Company was established during the year 2024 and has not filed any zakat return so far.

Al Majdiah Investment Fund, Al Dar Investment Fund and Al Narjis Investment Fund

Under the current system of taxation in the Kingdom of Saudi Arabia, the Funds are not liable to pay any Zakat or income tax as they are considered to be the obligation of the Unit holders and as such, these are not provided in the separate financial statements of the funds. Therefore, the Zakat impact has been considered in the financial statements of the Parent Company.

22 OPERATING INCOME AND COST

22-1 OPERATING INCOME

	2025 ﷲ	2024 ﷲ
Revenue from sale of property units	101,554,021	850,156,470
Revenue from sale of off-plan property units (note 11-2-3)	698,067,500	43,632,837
	<u>799,621,521</u>	<u>893,789,307</u>
Revenue from sale of lands	314,497,870	392,733,152
Real estate commission revenue (note 22-1-1)	50,049,266	53,337,945
Real estate development revenue (note 22-1-2)	26,847,537	34,675,317
Maintenance revenue (note 22-1-3)	16,548,000	16,548,000
Leasing revenue	16,314,600	11,222,959
	<u>1,223,878,794</u>	<u>1,402,306,680</u>

22-1-1 This item represents the amounts charged to customers in respect of marketing services provided. The commission is charged at agreed upon percentage out of each property sold for, which marketing was done by the Group.

22-1-2 Real estate development income represents the construction and development services provided to customers.

22-1-3 Maintenance income represents the straight line revenue recorded against the amounts received from customers on conditional exchange of contracts relating to future maintenance obligation for five years as part of inventory properties sale contract.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated primarily by geographical market and timing of revenue recognition.

	2025 ﷲ	2024 ﷲ
Timing of revenue recognition		
Service provided over time	757,777,637	106,079,113
Services provided at a point in time	466,101,157	1,296,227,567
All these revenues were generated from projects in Kingdom of Saudi Arabia	<u>1,223,878,794</u>	<u>1,402,306,680</u>

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22 OPERATING INCOME AND COST (CONTINUED)

22-2 OPERATING COST

	2025	2024
	ﷲ	ﷲ
Cost of sale of property units (note 7)	81,287,150	663,055,285
Cost of sale of off-plan property units (including property units) (note 7)	515,283,062	31,938,831
Amortization expenses for right-of-land development assets (note 5)	<u>2,023,040</u>	-
	598,593,252	694,994,116
Cost of sale of Land (note 7)	195,964,583	307,758,624
Operating cost – development and commission	22,155,737	25,849,420
Maintenance cost	18,020,780	14,393,076
Cost of rent	1,496,506	1,748,978
Depreciation expense of right-of-use assets	<u>698,109</u>	458,626
	<u>836,928,967</u>	<u>1,045,202,840</u>

23 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
	ﷲ	ﷲ
Salaries and other benefits	38,297,362	45,141,979
Professional fees	7,502,925	7,914,282
Depreciation (note 4)	1,283,590	1,030,354
Utilities	1,749,820	-
Hospitality	659,184	361,668
Donations and gifts	400,951	156,965
Rent	368,051	929,826
Governmental fees	174,843	198,026
Office improvements	90,587	250,782
Management fees (note 23-2 and 13)	-	4,232,734
Performance fee (note 23-1 and 13)	-	15,893,955
Others	<u>11,674,938</u>	6,709,907
	<u>62,202,251</u>	<u>82,820,478</u>

23-1 Performance fees represent one off fee paid to the Fund manager in consideration of managing the Funds' assets if the overall completed project of the Fund generates an IRR of 12% or more in accordance with Funds' terms and conditions.

23-2 Management fees represent an annual management fee paid to the Fund manager in consideration of managing the Funds' assets for a fee equal to 0.75% to 2% of the Fund's invested capital in accordance with Funds' terms and conditions.

24 SELLING AND MARKETING EXPENSES

	2025	2024
	ﷲ	ﷲ
Brand marketing	19,435,066	6,171,513
New identity	15,330,810	-
Others	<u>1,838,525</u>	775,831
	<u>36,604,401</u>	<u>6,947,344</u>

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25 FINANCE COSTS

	2025 ﷲ	2024 ﷲ
Bank charges	64,373,959	115,761
Finance cost on bank facilities	49,659,525	33,719,023
Finance cost on land development right contract liability (note 5)	2,473,611	-
Finance cost on lease liability	-	7,362
Total bank facilities costs	116,507,095	33,842,146
Less: Finance and transaction capitalized (note 7 and 17)	(41,812,888)	(30,245,333)
Total finance costs charged to profit or loss	74,694,207	3,596,813

26 OTHER INCOME

	2025 ﷲ	2024 ﷲ
Performance fee	10,000,000	-
Revenue from bank deposits	5,527,343	2,670,578
Dividends received	2,400,000	9,200,000
finance interests	510,549	-
Profits on sale of shares	102,264	2,483,421
Others	4,713,281	2,001,226
	23,253,437	16,355,225

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

27-1 FINANCIAL ASSETS

	2025 ﷲ	2024 ﷲ
Financial assets at fair value		
Financial assets at fair value through profit or loss		
Real estate funds	68,485,162	44,859,391
Total Financial assets at fair value through profit or loss	68,485,162	44,859,391
Investments in equity instruments at fair value through other comprehensive income	112,991,089	164,504,498
Total financial assets at fair value	181,476,251	209,363,889
Debt instruments at amortized cost		
Trade receivables	54,374,774	73,762,743
Amounts due from related parties	7,398,437	20,278,005
Total financial assets at amortized cost*	61,773,211	94,040,748
Total current	61,773,211	94,040,748
Total non-current	181,476,251	209,363,889

* Financial assets, other than cash and short-term deposits

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27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

27-2 FINANCIAL LIABILITIES

	<i>Maturity Date</i>	2025 ﷲ	2024 ﷲ
Bank facilitates	2026-2030	1,303,242,012	1,149,016,412
Land development contract liability	2028	73,168,435	-
Lease liability	2027	10,930,100	-
Trade and other payables	On demand	242,132,526	226,916,663
Amounts due to related parties	On demand	69,877,367	178,083,810
Total financial liabilities		1,699,350,440	1,554,016,885

27-3 FAIR VALUE

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial assets and liabilities.

	2025 ﷲ		2024 ﷲ	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial assets:				
Trade receivables	54,374,774	54,374,774	73,762,743	73,762,743
Amounts due from related parties	7,398,437	7,398,437	20,278,005	20,278,005
Investments in equity instruments at fair value through other comprehensive income	112,991,089	112,991,089	164,504,498	164,504,498
Real estate Funds	68,485,162	68,485,162	44,859,391	44,859,391
	243,249,462	243,249,462	303,404,637	303,404,637
Financial Liabilities				
Bank facilitates	1,303,242,012	1,303,242,012	1,149,016,412	1,149,016,412
Trade and other payables	354,368,700	354,368,700	226,916,663	226,916,663
Amounts due to related parties	69,877,367	69,877,367	178,083,810	178,083,810
Lease liability	10,930,100	10,930,100	-	-
Land development contract liability	73,168,435	73,168,435	-	-
	1,811,586,614	1,811,586,614	1,554,016,885	1,554,016,885

- a) The fair value of unquoted instruments and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- b) The fair values of investment in private investment Funds are estimated using either the net assets value (NAV) or fair value provided by the private investment Funds on monthly, quarterly or annual basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

27-4 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank facilities, account payables and others. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include accounts and other receivables, financial assets held at amortized cost, financial assets held at FVTPL and cash that derive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

27-4-1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include bank facilities, deposits and financial assets measured at FVTPL. The sensitivity analyses in the following sections relate to the financial positions as at 31 December 2025 and 31 December 2024.

27-4-2 Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market commission rates relate primarily to the Group's long-term debt obligations with floating commission rates. The Group manages its commission rate risks by having a balanced portfolio of fixed and variable rate borrowings.

Commission rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in commission rates on that portion of bank facilities affected. With all other variables held constant, the Group's profit before zakat is affected through the impact on floating rate borrowings, as follows:

		2025	2024
		S	S
Increase in basis points of commission rates	+10	(1,303,242)	(1,149,017)
Decrease in basis points of commission rates	-10	1,303,242	1,149,017

The assumed movement in basis points for the commission rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility than in prior periods.

27-3-3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's exposure to foreign currency changes for all currencies is not material.

27-4-4 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. For unquoted equity instruments and investments in discretionary portfolios, the maximum risk is equal to the carrying amount of those investments.

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27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

**27-4 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES
(CONTINUED)**

27-4-5 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, Murabaha and other receivables, foreign exchange transactions and other financial instruments. The Group is exposed to credit risk on its bank balances and trade receivables as follows:

	2025 ﷲ	2024 ﷲ
Cash at bank	100,644,413	81,770,399
Restricted cash at banks	216,921,301	31,473,210
Short term deposits	-	40,000,000
Cash deposits against bank guarantees	2,000,000	11,140,243
Trade receivables	54,374,774	73,762,743
Amounts due from related parties	7,398,437	20,278,005
	<u>381,338,925</u>	<u>258,424,600</u>

The carrying amount of financial assets represent the maximum credit exposure. Credit risk on receivables and bank balances is limited as:

- Cash balances are held with banks with high credit ratings.
- The receivables are shown net of allowance for expected credit loss.
- Financial position of related parties is stable.

Impairment losses on financial assets recognized in the consolidated statement of profit or loss were as follows:

	2025 ﷲ	2024 ﷲ
(Reversal of) allowance for expected credit losses of trade receivables	(3,978,805)	3,121,205
Reversal of expected credit loss on related parties	-	(3,933,558)
	<u>(3,978,805)</u>	<u>(812,353)</u>

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group limits its exposure to credit risk from accounts receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively. In respect of bank facilities provided by Group to related parties and other companies, the Group believes that the related parties and other companies have a strong financial position and the bank facilities will be fully recovered within stated timelines.

None of the Group's customers' balances have been written off at the reporting date. In monitoring customer credit risk, customers are categorized according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, past history with the Group and existence of previous financial difficulties.

The Group's accounts receivables are from counterparties in the Kingdom of Saudi Arabia. The Group's exposure to credit risk in accounts receivable as per geographic basis is as follows:

	2025 ﷲ	2024 ﷲ
Kingdom of Saudi Arabia	<u>54,374,774</u>	<u>73,762,743</u>

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27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

27-4 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27-4-5 Credit risk (Continued)

Expected credit loss assessment for trade and other receivables

The Group applies the IFRS (9) simplified approach to measure expected credit losses, using a lifetime expected loss allowance for all accounts and other receivables.

The expected loss rates are based on the payment profiles of receivables over a period of 12 months before 31 December 2025 and 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the countries in which it conducts transactions to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for accounts and other receivables.

	Expected credit Loss rate	Gross carrying amount at default ﷲ	Provision for expected credit losses ﷲ
2025			
0-90 days past due	0 %	40,795,163	-
90-180 days past due	5%	11,342,425	(567,121)
180-270 days past due	14%	2,223,069	(311,230)
270-360 days past due	0 %	-	-
More than 360 days past due	71%	3,069,829	(2,177,361)
		<u>57,430,486</u>	<u>(3,055,712)</u>
2024			
	<i>Expected Credit loss rate</i>	<i>Gross carrying amount at default ﷲ</i>	<i>Provision for expected credit losses ﷲ</i>
0-90 days past due	0%	22,500,416	-
90-180 days past due	4 %	33,311,271	(1,445,673)
180-270 days past due	10 %	11,359,296	(1,174,242)
270-360 days past due	0 %	-	-
More than 360 days past due	48 %	13,626,277	(4,414,602)
		<u>80,797,260</u>	<u>(7,034,517)</u>

Impairment losses on accounts and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing for the contract assets for the year ended 31 December, was as follows:

	Total carrying amount	
	2025 ﷲ	2024 ﷲ
0-90 days past due	114,602,319	74,922,889
90-180 days past due	3,378,233	13,684,414
180-270 days past due	-	-
270-360 days past due	-	-
More than 360 days past due	-	-
	<u>117,980,552</u>	<u>88,607,303</u>

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27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

27-4 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27-4-5 Credit risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

27-4-6 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2025:					
Bank facilitates	-	328,105,335	975,136,677	-	1,303,242,012
Trade and other payables	242,132,526	-	-	-	242,132,526
Amounts due to related parties	-	69,877,367	-	-	69,877,367
Land development contract liabilities	-	30,969,870	49,035,627	-	80,005,497
Lease liability	-	6,225,000	6,225,000	-	12,450,000
	<u>242,132,526</u>	<u>435,177,572</u>	<u>1,030,397,304</u>	<u>-</u>	<u>1,707,707,402</u>
	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2024:					
Bank facilitates	-	165,000,000	984,016,412	-	1,149,016,412
Trade and other payables	226,916,663	-	-	-	226,916,663
Amounts due to related parties	-	178,083,810	-	-	178,083,810
	<u>226,916,663</u>	<u>343,083,810</u>	<u>984,016,412</u>	<u>-</u>	<u>1,554,016,885</u>

**DAR AL MAJID REAL ESTATE COMPANY AND ITS SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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27 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

27-4 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

27-4-7 Capital management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the shareholders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, wherever applicable for the Group entities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using multiple leverage ratios including gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, long term bank facilities, trade payables, and accrued expense, due to shareholders less cash and cash equivalents, excluding discontinued operations.

	2025 ﷲ	2024 ﷲ
Bank facilities	1,303,242,012	1,149,016,412
Amounts due to related parties	69,877,367	178,083,810
Trade and other payables	354,368,700	266,288,265
Less: Cash and cash equivalents - restricted	<u>(317,607,642)</u>	<u>(153,251,322)</u>
Net debt	<u>1,409,880,437</u>	<u>1,440,137,165</u>
Equity	<u>1,106,219,135</u>	<u>912,685,687</u>
Equity and net debt	<u>2,516,099,572</u>	<u>2,352,822,852</u>
Gearing ratio	56%	61%

28 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets:

	<i>Level 1</i> ﷲ	<i>Level 2</i> ﷲ	<i>Level 3</i> ﷲ	<i>Total</i> ﷲ
31 December 2025				
Investment property				
Lands	-	6,034,376	-	6,034,376
Building	-	428,594,150	-	428,594,150
Investment at fair value through other comprehensive income				
Equity instruments	-	-	112,991,089	112,991,089
Financial assets at FVTPL				
Real estate Funds	-	-	68,485,162	68,485,162
Total	<u>-</u>	<u>434,628,526</u>	<u>181,476,251</u>	<u>616,104,777</u>
	<i>Level 1:</i> ﷲ	<i>Level 2</i> ﷲ	<i>Level 3</i> ﷲ	<i>Total</i> ﷲ
31 December 2024				
Investment property				
Lands	-	6,214,360	-	6,214,360
Building	-	155,438,432	-	155,438,432
Investment at fair value through other comprehensive income				
Equity instruments	-	-	164,504,498	164,504,498
Financial assets at fair value through profit or loss				
Real estate Funds	-	-	44,859,391	44,859,391
Total	<u>-</u>	<u>161,652,792</u>	<u>209,363,889</u>	<u>371,016,681</u>

The fair values of other financial instruments are not significantly different from the carrying values included in the consolidated financial statements.

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29 DIVIDENDS DISTRIBUTION

On 27 Thul-Qi'dah 1445H (corresponding to 4 June 2024), the Board of Directors recommended distributing dividends at an amount of 44,214,265 ﷲ to the partners for the fiscal year ended 31 December 2023, which was approved by the partners at the Extraordinary General Assembly meeting held on 27 Dhu al-Qi'dah 1445H (corresponding to 4 June 2024). The dividend distribution date was 7 Thul-Hijjah 1445H (corresponding to 13 June 2024).

On 4 Rabi' al-Thani 1446H (corresponding to 7 October 2024), the Board of Directors recommended distributing dividends at an amount of 50,000,000 ﷲ to the partners for the first half of 2024, which was approved by the partners at the Extraordinary General Assembly meeting held on 4 Rabi' al-Thani 1446H (corresponding to 7 October 2024). The dividend distribution date was 5 Rabi' al-Thani 1446H (corresponding to 8 October 2024).

Dividends were distributed to non-controlling interests with a total amount of 43,066,355 ﷲ during the year ended 31 December 2025 (31 December 2024: 111,984,823 ﷲ) (note 31-2).

30 CONTINGENCIES AND COMMITMENTS

30-1 CONTINGENCIES

A) The Group provided letters of guarantee, i.e. financial guarantees, bid bonds and performance guarantees through its local banks for its own business activities and on behalf of certain subsidiaries, with a maximum limit of 84 million ﷲ as at 31 December 2025 (31 December 2024: 256 million ﷲ).

30-2 CAPITAL COMMITMENTS

At 31 December 2025, the Group has future capital commitments amounting to 1,260 million ﷲ (31 December 2024: 1,100 million ﷲ) in respect of inventory property under development.

31 MATERIAL SUBSIDIARIES OWNED PARTIALLY

31-1 ACCUMULATED BALANCES OF NON-CONTROLLING INTERESTS

	2025 ﷲ	2024 ﷲ
Al Dar Investment Fund	287,051	463,841
Jadet Al Rabea Real Estate Company	14,404,395	35,869,386
Jadet Al-Shatea Real Estate Company	2,537,551	2,645,889
Al Narjis Investment Fund	1,485,276	(2,582,976)
Burj Al Raayea Real Estate Company	(64,453)	(4,278)
	<u>18,649,820</u>	<u>36,391,862</u>

31-2 MOVEMENT IN NON-CONTROLLING INTEREST

	2025 ﷲ	2024 ﷲ
At 1 January	36,391,862	65,617,808
Share in profits	25,324,313	82,758,877
Dividends (note 29)	(43,066,355)	(111,984,823)
At 31 December	<u>18,649,820</u>	<u>36,391,862</u>

31-3 TOTAL COMPREHENSIVE INCOME ALLOCATED TO MATERIAL NON-CONTROLLING INTERESTS

	2025 ﷲ	2024 ﷲ
Al Narjis Investment Fund	11,362,721	39,873,598
Jadet Al Rabea Real Estate Company	14,306,895	36,967,352
Al Dar Investment Fund	(176,790)	5,992,970
Jadet Al-Shatea Real Estate Company	(108,338)	(70,515)
Burj Al Raayea Real Estate Company	(60,175)	(4,528)
	<u>25,324,313</u>	<u>82,758,877</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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31 MATERIAL SUBSIDIARIES OWNED PARTIALLY (Continued)

31-4 SUMMARIZED FINANCIAL INFORMATION

The summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit or loss for the year ended 31 December 2025

	<i>Al Dar Investment Fund ﷲ</i>	<i>Jadet AL- Rabea ﷲ</i>	<i>Jadet AL- Shatea ﷲ</i>	<i>Al Narjis Investment Fund ﷲ</i>	<i>Burj Al Raayea Real Estate Company ﷲ</i>
Revenue	-	68,664,000	-	72,305,870	-
Operating costs	-	(50,535,086)	-	(38,341,687)	-
General and administrative expenses	(588,937)	(1,368,058)	(138,717)	(3,069,353)	(120,350)
Other revenue	1,674	2,852,708	1,393	259,519	-
(Loss) profit before zakat	(587,263)	19,613,564	(137,324)	31,154,349	(120,350)
Zakat	-	(537,704)	(223,802)	-	-
(Loss) profit for the year	(587,263)	19,075,860	(361,126)	31,154,349	(120,350)
Attributable to non-controlling interest	(176,790)	14,306,895	(108,338)	11,362,721	(60,175)

Summarized statement of profit or loss for the year ended 31 December 2024

	<i>Al Dar Investment Fund ﷲ</i>	<i>Jadet AL- Rabea ﷲ</i>	<i>Jadet AL- Shatea ﷲ</i>	<i>Al Narjis Investment Fund ﷲ</i>	<i>Burj Al Raayea Real Estate Company ﷲ</i>
Revenue	80,109,786	381,266,733	-	497,702,877	-
Gain from sales of financial asset at fair value through profit or loss /other income	859,714	-	-	-	-
Operating costs	(59,538,549)	(327,433,175)	-	(350,075,916)	-
General and administrative expenses	(1,523,436)	(346,380)	(999)	(38,301,398)	(9,056)
Profit (Loss) before zakat	19,907,515	53,487,178	(999)	109,325,563	(9,056)
Zakat	-	(4,197,376)	(234,051)	-	-
Profit (loss) for the year	19,907,515	49,289,802	(235,050)	109,325,563	(9,056)
Attributable to non-controlling interest	5,992,970	36,967,352	(70,515)	39,873,598	(4,528)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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31 MATERIAL SUBSIDIARIES OWNED PARTIALLY (Continued)

31-4 SUMMARIZED FINANCIAL INFORMATION (Continued)

Summarized statement of financial position as at 31 December 2025

	<i>Al Dar Investment Fund</i>	<i>Jadet AL- Rabea</i>	<i>Jadet AL- Shatea</i>	<i>Al Narjis Investment Fund</i>	<i>Burj Al Raayea Real Estate Company</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Properties inventory	-	-	-	-	94,296,176
Amounts due from related parties	-	29,493,623	8,556,772	-	-
Trade and other receivables	-	12,392,027	-	81,096	-
Cash and cash equivalents	1,567,598	18,499	179,533	4,970,194	250
Accounts payable, accruals and other payables	(473,830)	(22,160,585)	(54,000)	(326,000)	(120,000)
Amounts due to related parties	(140,240)	-	-	(652,956)	(94,305,332)
Zakat provision	-	(537,704)	(223,802)	-	-
TOTAL EQUITY	953,528	19,205,860	8,458,503	4,072,334	(128,906)
Attributable to:					
Shareholders of the Parent Company	666,477	4,801,465	5,920,952	2,587,058	(64,453)
Non-controlling interests	287,051	14,404,395	2,537,551	1,485,276	(64,453)

Summarized statement of financial position as of 31 December 2024.:

	<i>Al Dar Investment Fund</i>	<i>Jadet AL- Rabea</i>	<i>Jadet AL- Shatea</i>	<i>Al Narjis Investment Fund</i>	<i>Burj Al Raayea Real Estate Company</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Property under development	-	33,590,529	-	39,875,020	-
Inventory properties	-	-	-	-	47,948,700
Amounts due from related parties	-	120,254,732	8,836,248	-	250
Investments at fair value through profit or loss	-	-	-	-	-
Trade and other receivables	1,232,019	8,909,155	61,792	6,857,343	-
Cash and cash equivalents	1,052,140	9,477,683	179,533	23,720,121	-
Long-term bank facilities	-	-	-	(1,251,652)	-
Accounts payable, accruals and other payables	(175,000)	(1,841,803)	(22,500)	(74,014,134)	-
Amounts due to related parties	(568,367)	(118,367,072)	-	(2,268,711)	(47,957,506)
Zakat provision	-	(4,197,376)	(235,444)	-	-
Total Equity	1,540,792	47,825,848	8,819,629	(7,082,013)	(8,556)
Attributable to:					
Shareholders of the Parent Company	1,076,951	11,956,462	6,173,740	(4,499,037)	(4,278)
Non-controlling interests	463,841	35,869,386	2,645,889	(2,582,976)	(4,278)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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31 MATERIAL SUBSIDIARIES OWNED PARTIALLY (Continued)

31-4 SUMMARIZED FINANCIAL INFORMATION (Continued)

Summarized cash flow information for the year ended 31 December 2025

	<i>Al Dar Investment Fund ﷲ</i>	<i>Jadet AL- Rabea ﷲ</i>	<i>Jadet AL- Shatea ﷲ</i>	<i>Al Narjis Investment Fund ﷲ</i>	<i>Burj Al Raayea Real Estate Company ﷲ</i>
Operating	515,459	38,236,664	79,562	990,555	46,468,076
Investment	-	-	-	259,518	(46,347,476)
Financing	-	(47,695,848)	-	(20,000,000)	-

Summarized cash flow information for the year ended 31 December 2024

	<i>Al Dar Investment Fund ﷲ</i>	<i>Jadet AL- Rabea ﷲ</i>	<i>Jadet AL- Shatea ﷲ</i>	<i>Al Narjis Investment Fund ﷲ</i>	<i>Burj Al Raayea Real Estate Company ﷲ</i>
Operating	(7,207,968)	(19,282,174)	79,562	119,750,580	(500)
Investment	44,897,690	-	-	381,451,346	-
Financing	(80,375,000)	-	-	(480,700,000)	-

32 EARNINGS PER SHARE

Basic earnings per share are calculated based on the dividend distributed to the shareholders of the Parent Company and the weighted average number of ordinary shares as at 31 December 2025 300 million shares (2024: 300 million shares).

Profit attributable to ordinary shareholders (Basic)

	<i>2025 ﷲ</i>	<i>2024 ﷲ</i>
Profit attributable to the Company's shareholders	261,922,760	213,554,440
Weighted average number of shares outstanding during the year	300,000,000	300,000,000
Earnings per share attributable to Company's shareholders	0.87	0.71

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2025

33 SEGMENTAL INFORMATION

Management has adopted the business segment only, since it carries out its activities entirely in the Kingdom of Saudi Arabia. The Group has determined its business segments on the basis of type of inventory supplied and services rendered by the Group's business segments and reported to the Group's executive management for the purposes of resource allocation and assessment of segment performance.

For executive management purposes, the Group is organized in the following business segments:

Properties Unit Sales Segment	This segment represents activities relating to the sale of completed property units after the completion of their development.
Off-Plan Property Unit Sales Segment	This segment represents activities relating to the sale of property units prior to the completion of their construction, in accordance with approved off-plan sale models, and includes revenue recognized based on the percentage of completion.
Land Sales Segment	This segment represents activities relating to the sale of land owned by the Group.
Real Estate Commission Segment	This segment represents activities under contracts with customers to provide, on their behalf, marketing services for the sale of properties owned by the customers. Under these contracts, the Group provides marketing services for such properties.
Real Estate Development Segment	This segment represents activities under contracts with customers to provide, on their behalf, real estate development services for real estate projects owned by the customers. Under these contracts, the Group provides development services for such properties.
Maintenance Segment	This segment represents maintenance activities with customers under conditional exchange arrangements for contracts related to future maintenance liability for a specified period, as part of properties inventory sales contract.
Leasing Segment	This segment represents activities performed from acting as a lessor under operating lease contracts that do not substantially transfer all the risks and rewards incidental to ownership of investment properties.

	<i>Sale of property units</i> S	<i>Sale of off-plan property units</i> S	<i>Sale of lands</i> S	<i>Real Estate development and commission</i> S	<i>Maintenance</i> S	<i>Leasing</i> S	<i>Common sector</i> S	<i>Total</i> S
2025								
Total Revenue	101,554,021	698,067,500	314,497,870	76,896,803	16,548,000	16,314,600	-	1,223,878,794
Gross Profit (Loss)	20,266,871	178,287,787	118,533,287	54,741,066	(1,472,780)	14,818,094	-	385,174,325
Total Assets	-	105,406,518	6,034,376	12,574,034	-	150,000	2,902,378,835	3,026,543,763
Total Liabilities	17,643,090	28,478,460	-	149,412,042	17,059,000	1,356,584	1,706,375,452	1,920,324,628
2024								
Total Revenue	850,156,470	43,632,837	392,733,152	88,013,262	16,548,000	11,222,959	-	1,402,306,680
Gross Profit	187,101,185	11,694,006	84,974,528	62,163,842	2,154,924	9,473,981	-	357,562,466
Total Assets	-	21,932,736	6,214,360	66,674,567	-	-	2,605,176,318	2,699,997,981
Total Liabilities	74,524,000	-	-	138,069,994	33,607,000	2,343,242	1,538,768,058	1,787,312,294

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

34 SUBSEQUENT EVENTS

- The Group signed a banking facilities agreement complies with Shariah standards with Alinma Bank for an amount of 500 million SAR , as announced on the Tadawul platform on 18 January 2026.
- The Group signed a banking facilities agreement complies with Shariah standards with Arab National Bank for an amount of 500 million SAR , as announced on the Tadawul platform on 20 January 2026.
- The Group signed a banking facilities agreement complies with Shariah standards with Alistithmar Capital for an amount of 14 million SAR on 29 January 2026.

These facilities were obtained to support the Group's expansion plans and future projects in line with its strategic plan. The Group has also disclosed certain subsequent events within the related notes. Management believes that there are no other material subsequent events, other than those mentioned above, for the year ended 31 December 2025 that would have a material impact on the consolidated statement of financial position of the Group.

35 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation in the current period. These reclassifications had no impact on the net profit or loss, retained earnings, or the consolidated financial position.

A summary of the reclassification adjustments in the consolidated statement of financial position as at 31 December 2024 is presented below:

	<i>As previously presented</i>	<i>Reclassification</i>	<i>As currently presented</i>
	SAR	SAR	SAR
Investment in an associate	-	160,000,000	160,000,000
Investment in financial assets at FVTPL	204,859,391	(160,000,000)	44,859,391
Restricted cash	-	31,473,210	31,473,210
Cash and cash equivalents	153,251,322	(31,473,210)	121,778,112

36 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue by the Group's Board of Directors on 21 Ramadhan 1447H (corresponding to 10 March 2026).