

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For nine-months period ended 30 September 2025

with

**INDEPENDENT AUDITORS' REPORT**  
**ON REVIEW OF CONDENSED CONSOLIDATED**  
**INTERIM FINANCIAL STATEMENTS**

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
For three-month and nine-month periods ended 30 September 2025

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| <b>Index</b>                                                                                  | <b>Pages</b> |
|-----------------------------------------------------------------------------------------------|--------------|
| Independent auditor's report on review of condensed consolidated interim financial statements | 1-2          |
| Condensed consolidated statement of profit or loss and other comprehensive income             | 3            |
| Condensed consolidated statement of financial position                                        | 4 – 5        |
| Condensed consolidated statement of changes in equity                                         | 6            |
| Condensed consolidated statement of cash flows                                                | 7 – 8        |
| Notes to the condensed consolidated interim financial statements                              | 9 – 35       |



## KPMG Professional Services Company

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Emaar The Economic City

## Introduction

We have reviewed the accompanying 30 September 2025, condensed consolidated interim financial statements of Emaar The Economic City ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of profit or loss and other comprehensive income for the three months and nine-months periods ended 30 September 2025;
- the condensed consolidated statement of financial position as at 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-months period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-months period ended 30 September 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025, condensed consolidated interim financial statements of Emaar The Economic City and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مفقطة، مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

# Independent auditor's report on review of condensed consolidated interim financial statements (continued)

To the Shareholders of Emaar The Economic City

## Emphasis of Matter

We draw attention to Note 1 of the condensed consolidated interim financial statements, which indicates that the Group incurred a net loss of SR 302 million during the nine-months period ended 30 September 2025 and, as of that date, the Group's current liabilities exceeded its current assets by SR 3,897 million. The Group's ability to meet its obligations as they fall due and to continue its operations without significant curtailment is therefore highly dependent on the successful execution of management's plans including debt restructuring, obtaining additional funding from shareholders and the sale of properties to generate sufficient cash flows. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## For KPMG Professional Services Company



Ebrahim Oboud Baeshen  
License No. 382

Jeddah, 28 Jumada al-Awwal 1447H  
Corresponding to 19 November 2025



**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025

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

|                                                                                                                     |              | <b>Three-month<br/>period ended 30 September</b> |                    | <b>Nine-month<br/>period ended 30 September</b> |                    |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------|--------------------|-------------------------------------------------|--------------------|
|                                                                                                                     | <b>Notes</b> | <b>2025</b>                                      | <b>2024</b>        | <b>2025</b>                                     | <b>2024</b>        |
|                                                                                                                     |              | <b>(Unaudited)</b>                               | <b>(Unaudited)</b> | <b>(Unaudited)</b>                              | <b>(Unaudited)</b> |
| Revenue                                                                                                             | 5            | 358,459                                          | 90,720             | 680,598                                         | 241,163            |
| Cost of revenue                                                                                                     |              | (163,842)                                        | (172,705)          | (428,249)                                       | (408,137)          |
| <b>GROSS PROFIT / (LOSS)</b>                                                                                        |              | <b>194,617</b>                                   | <b>(81,985)</b>    | <b>252,349</b>                                  | <b>(166,974)</b>   |
| Selling and marketing expenses                                                                                      |              | (13,454)                                         | (17,184)           | (29,947)                                        | (42,999)           |
| General and administrative expenses                                                                                 |              | (114,088)                                        | (163,432)          | (270,746)                                       | (294,896)          |
| Impairment loss on financial assets and contract assets                                                             |              | (44,820)                                         | (19,304)           | (31,469)                                        | (55,272)           |
| Amortization of unearned interest                                                                                   |              | 885                                              | 2,474              | 6,397                                           | 11,971             |
| Other operating income                                                                                              |              | 450                                              | 10,404             | 21,038                                          | 22,248             |
| <b>OPERATING PROFIT / (LOSS)</b>                                                                                    |              | <b>23,590</b>                                    | <b>(269,027)</b>   | <b>(52,378)</b>                                 | <b>(525,922)</b>   |
| Financial income                                                                                                    |              | 2,971                                            | 270                | 5,239                                           | 3,899              |
| Fair value gain on derivative financial liability                                                                   |              | --                                               | --                 | --                                              | 12,705             |
| Financial charges                                                                                                   |              | (134,497)                                        | (165,510)          | (421,826)                                       | (482,229)          |
| Gain on extinguishment of financial liabilities                                                                     | 12           | --                                               | --                 | 242,839                                         | --                 |
| Share of loss of equity accounted investees                                                                         | 11           | (22,433)                                         | (14,602)           | (62,186)                                        | (65,209)           |
| <b>LOSS BEFORE ZAKAT</b>                                                                                            |              | <b>(130,369)</b>                                 | <b>(448,869)</b>   | <b>(288,312)</b>                                | <b>(1,056,756)</b> |
| Zakat                                                                                                               | 13           | (4,500)                                          | (10,000)           | (13,500)                                        | (96,032)           |
| <b>LOSS FOR THE PERIOD</b>                                                                                          |              | <b>(134,869)</b>                                 | <b>(458,869)</b>   | <b>(301,812)</b>                                | <b>(1,152,788)</b> |
| <b>OTHER COMPREHENSIVE LOSS</b>                                                                                     |              |                                                  |                    |                                                 |                    |
| <i>Items that will be reclassified to condensed consolidated statement of profit or loss in subsequent periods:</i> |              |                                                  |                    |                                                 |                    |
| Share of other comprehensive loss of equity accounted investees                                                     | 11           | (5,691)                                          | (10,704)           | (12,764)                                        | (9,325)            |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>                                                                      |              | <b>(140,560)</b>                                 | <b>(469,573)</b>   | <b>(314,576)</b>                                | <b>(1,162,113)</b> |
| <b>Loss per share:</b>                                                                                              |              |                                                  |                    |                                                 |                    |
| Basic and diluted loss per share attributable to equity holders of the Parent Company (in Saudi Riyals per share)   | 6            | (0.26)                                           | (0.88)             | (0.58)                                          | (2.20)             |

  
**Chairman Board of  
Directors**

  
**Chief Executive Officer**

  
**Chief Financial Officer**

The attached notes 1 to 20 form integral part  
of these condensed consolidated interim financial statements

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

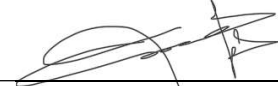
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

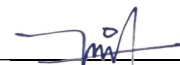
As at 30 September 2025

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

|                                                                  | Notes | As at<br>30 September<br>2025<br>(Unaudited) | As at<br>31 December<br>2024<br>(Audited) |
|------------------------------------------------------------------|-------|----------------------------------------------|-------------------------------------------|
| <b>ASSETS</b>                                                    |       |                                              |                                           |
| <b>Non-current assets</b>                                        |       |                                              |                                           |
| Property and equipment                                           | 7     | 4,883,114                                    | 4,993,380                                 |
| Right-of-use assets                                              |       | 36,491                                       | 45,700                                    |
| Investment properties                                            | 8     | 4,572,200                                    | 4,599,548                                 |
| Intangible assets                                                |       | 2,697                                        | 2,981                                     |
| Investment in equity accounted investees                         | 11    | 2,592,339                                    | 2,711,806                                 |
| Development properties                                           | 9     | 458,243                                      | 483,018                                   |
| Unbilled revenue                                                 |       | 311,764                                      | 196,057                                   |
| Employees' receivable - home ownership scheme                    |       | 47,369                                       | 53,463                                    |
| Restricted cash                                                  |       | 51                                           | 51                                        |
| <b>Total non-current assets</b>                                  |       | <b>12,904,268</b>                            | <b>13,086,004</b>                         |
| <b>Current assets</b>                                            |       |                                              |                                           |
| Development properties                                           | 9     | 818,905                                      | 835,611                                   |
| Unbilled revenue                                                 |       | 286,318                                      | 223,238                                   |
| Current portion of employees' receivable - home ownership scheme |       | 3,432                                        | 3,504                                     |
| Trade receivables and other current assets                       | 10    | 832,527                                      | 686,229                                   |
| Restricted cash - current portion                                |       | 4,421                                        | 3,707                                     |
| Cash and cash equivalents                                        |       | 452,641                                      | 252,367                                   |
| <b>Total current assets</b>                                      |       | <b>2,398,244</b>                             | <b>2,004,656</b>                          |
| <b>Total assets</b>                                              |       | <b>15,302,512</b>                            | <b>15,090,660</b>                         |
| <b>EQUITY AND LIABILITIES</b>                                    |       |                                              |                                           |
| <b>Equity</b>                                                    |       |                                              |                                           |
| Share capital                                                    | 1     | 5,232,599                                    | 5,232,599                                 |
| Statutory reserve                                                |       | 11,536                                       | 11,536                                    |
| Accumulated (losses) / profit                                    |       | (291,800)                                    | 22,776                                    |
| <b>Total equity</b>                                              |       | <b>4,952,335</b>                             | <b>5,266,911</b>                          |
| <b>Non-current liabilities</b>                                   |       |                                              |                                           |
| Long-term borrowings                                             | 12    | 3,984,377                                    | --                                        |
| Lease liabilities                                                |       | 21,663                                       | 23,683                                    |
| Employee benefit obligations                                     |       | 48,921                                       | 45,483                                    |
| <b>Total non-current liabilities</b>                             |       | <b>4,054,961</b>                             | <b>69,166</b>                             |

  
**Chairman Board of  
Directors**

  
**Chief Executive Officer**

  
**Chief Financial Officer**

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**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

As at 30 September 2025

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

|                                        | Notes | As at<br>30 September<br>2025<br>(Unaudited) | As at<br>31 December<br>2024<br>(Audited) |
|----------------------------------------|-------|----------------------------------------------|-------------------------------------------|
| <b>Current liabilities</b>             |       |                                              |                                           |
| Lease liabilities - current portion    |       | 52,006                                       | 51,670                                    |
| Long-term borrowings - current portion | 12    | 4,592,043                                    | 7,871,117                                 |
| Short-term borrowings                  |       | --                                           | 161,386                                   |
| Trade and other payables               |       | 1,000,666                                    | 973,190                                   |
| Contract liabilities                   |       | 557,886                                      | 605,044                                   |
| Other provisions                       |       | 32,803                                       | 43,967                                    |
| Zakat provision                        | 13    | 59,812                                       | 48,209                                    |
| <b>Total current liabilities</b>       |       | <u>6,295,216</u>                             | <u>9,754,583</u>                          |
| <b>Total liabilities</b>               |       | <u>10,350,177</u>                            | <u>9,823,749</u>                          |
| <b>Total equity and liabilities</b>    |       | <u>15,302,512</u>                            | <u>15,090,660</u>                         |

  
Chairman Board of  
Directors

  
Chief Executive Officer

  
Chief Financial Officer

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**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

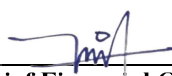
For the nine-months period ended 30 September 2025

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

|                                                    | <u>Share capital</u> | <u>Statutory reserve</u> | <u>Accumulated (losses) / profit</u> | <u>Total equity</u> |
|----------------------------------------------------|----------------------|--------------------------|--------------------------------------|---------------------|
| Balance as at 1 January 2024<br>(Audited)          | 11,333,333           | 11,536                   | (4,938,621)                          | 6,406,248           |
| Loss for the period                                | --                   | --                       | (1,152,788)                          | (1,152,788)         |
| Other comprehensive income for the period          | --                   | --                       | (9,325)                              | (9,325)             |
| Total comprehensive loss for the period            | --                   | --                       | (1,162,113)                          | (1,162,113)         |
| Balance as at 30 September 2024<br>(Unaudited)     | 11,333,333           | 11,536                   | (6,100,734)                          | 5,244,135           |
| <b>Balance as at 1 January 2025<br/>(Audited)</b>  | <b>5,232,599</b>     | <b>11,536</b>            | <b>22,776</b>                        | <b>5,266,911</b>    |
| Loss for the period                                | --                   | --                       | (301,812)                            | (301,812)           |
| Other comprehensive loss for the period            | --                   | --                       | (12,764)                             | (12,764)            |
| Total comprehensive loss for the period            | --                   | --                       | (314,576)                            | (314,576)           |
| <b>Balance as at 30 September 2025 (Unaudited)</b> | <b>5,232,599</b>     | <b>11,536</b>            | <b>(291,800)</b>                     | <b>4,952,335</b>    |

  
Chairman Board of  
Directors

  
Chief Executive Officer

  
Chief Financial Officer

The attached notes 1 to 20 form integral part  
of these condensed consolidated interim financial statements.

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the nine-months period ended 30 September 2025

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

|                                                                               | <u>Notes</u> | <b>For the nine-month<br/>period ended 30 September</b> |                                          |
|-------------------------------------------------------------------------------|--------------|---------------------------------------------------------|------------------------------------------|
|                                                                               |              | <b><u>2025</u></b><br><b>(Unaudited)</b>                | <b><u>2024</u></b><br><b>(Unaudited)</b> |
| <b>Operating activities</b>                                                   |              |                                                         |                                          |
| Loss before Zakat                                                             |              | (288,312)                                               | (1,056,756)                              |
| <i>Adjustments for:</i>                                                       |              |                                                         |                                          |
| Depreciation on property and equipment                                        | 7            | 153,790                                                 | 141,976                                  |
| Depreciation on investment properties                                         | 8            | 36,855                                                  | 36,738                                   |
| Depreciation on right-of-use asset                                            |              | 9,209                                                   | 8,743                                    |
| Impairment loss on financial and contract assets                              |              | 31,469                                                  | 55,272                                   |
| Amortisation                                                                  |              | 802                                                     | 1,140                                    |
| Financial charges                                                             |              | 421,826                                                 | 482,229                                  |
| Share of results of equity accounted investees                                | 11           | 62,186                                                  | 65,209                                   |
| Financial income                                                              |              | (5,239)                                                 | (3,899)                                  |
| Amortization of unearned interest                                             |              | --                                                      | (11,971)                                 |
| Gain on disposal of investment properties                                     |              | (4,753)                                                 | (17,101)                                 |
| Gain on extinguishment of loan                                                | 12           | (242,839)                                               | --                                       |
| Fair value gain on derivative financial liability                             |              | --                                                      | (12,705)                                 |
| Gain on sale of land to associate                                             |              | (63,662)                                                | --                                       |
| Impairment (reversal) / loss on investment properties                         | 8            | (671)                                                   | 103                                      |
| Reversal of provisions no longer required                                     |              | (13,982)                                                | --                                       |
| Interest income on unwinding of employees' receivable – home ownership scheme |              | (753)                                                   | --                                       |
| Interest income on unwinding of unbilled revenue                              |              | (5,644)                                                 | --                                       |
| Impairment reversal on development properties                                 |              | (4,680)                                                 | (1,561)                                  |
| Provision for employee benefit obligation                                     |              | 8,254                                                   | 7,216                                    |
|                                                                               |              | <u>93,856</u>                                           | <u>(305,367)</u>                         |
| <i>Changes in operating assets and liabilities:</i>                           |              |                                                         |                                          |
| Employees' receivable – home ownership scheme                                 |              | 6,919                                                   | 3,209                                    |
| Unbilled revenue                                                              |              | (203,644)                                               | 263,358                                  |
| Contract liabilities                                                          |              | 61,019                                                  | (65,678)                                 |
| Development properties                                                        |              | 46,161                                                  | 16,646                                   |
| Trade receivables and other current assets                                    |              | (147,265)                                               | (133,495)                                |
| Trade and other payable                                                       |              | 82,661                                                  | (21,537)                                 |
| Other liabilities                                                             |              | (3,241)                                                 | 32,340                                   |
| Restricted cash balances received                                             |              | (714)                                                   | (334)                                    |
| <b>Net cash used in operations</b>                                            |              | <u>(64,248)</u>                                         | <u>(210,858)</u>                         |
| Financial charges paid                                                        |              | (46,657)                                                | (26,927)                                 |
| Zakat paid                                                                    | 13           | (51,937)                                                | (26,401)                                 |
| Employees' terminal benefits paid                                             |              | (4,816)                                                 | (4,618)                                  |
| <b>Net cash used in operating activities</b>                                  |              | <u>(167,658)</u>                                        | <u>(268,804)</u>                         |
| <b>Investing activities</b>                                                   |              |                                                         |                                          |
| Financial income received                                                     |              | 5,239                                                   | 3,899                                    |
| Additions to intangible Assets                                                |              | (518)                                                   | (746)                                    |
| Additions to property and equipment                                           | 7            | (31,342)                                                | (268,934)                                |
| Additions to investment properties                                            | 8            | (9,407)                                                 | (13,095)                                 |
| Proceeds from sale of investment properties                                   |              | 5,324                                                   | 25,254                                   |
| <b>Net cash used in investing activities</b>                                  |              | <u>(30,704)</u>                                         | <u>(253,622)</u>                         |

  
Chairman Board of Directors

  
Chief Executive Officer

  
Chief Financial Officer

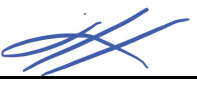
**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (continued)**

For the nine-months period ended 30 September 2025

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

|                                                           | <b>For the nine-month<br/>period ended 30 September</b> |                    |
|-----------------------------------------------------------|---------------------------------------------------------|--------------------|
|                                                           | <b><u>2025</u></b>                                      | <b><u>2024</u></b> |
|                                                           | <b>(Unaudited)</b>                                      | <b>(Unaudited)</b> |
| <b>Financing activities</b>                               |                                                         |                    |
| Proceeds from loans and borrowings                        | 401,490                                                 | 550,000            |
| Principal element of lease repayments                     | (2,854)                                                 | --                 |
| <b>Net cash generated from financing activities</b>       | <b>398,636</b>                                          | <b>550,000</b>     |
| <b>Net increase in cash and cash equivalents</b>          | <b>200,274</b>                                          | <b>27,574</b>      |
| Cash and cash equivalents at the beginning of the period  | 252,367                                                 | 179,077            |
| <b>Cash and cash equivalents at the end of the period</b> | <b>452,641</b>                                          | <b>206,651</b>     |
| <b>Non-cash supplementary information:</b>                |                                                         |                    |
| Gain on sale of land to associate                         | 63,662                                                  | --                 |

  
\_\_\_\_\_  
**Chairman Board of  
Directors**

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Chief Financial Officer**

The attached notes 1 to 20 form integral part  
of these condensed consolidated interim financial statements.

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025

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

**1. GENERAL INFORMATION**

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

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

As of 30 September 2025, and 31 December 2024, the Company's authorized and issued share capital was Saudi Riyals 5,232.6 million consisting of 523.26 million shares of Saudi Riyals 10 each (2024: 523.26 million shares of Saudi Riyals 10 each), allocated as follows:

|                                                                              | <b><u>Nine-months periods<br/>ended 30 September 2025</u></b> |                         | <b><u>For the year ended<br/>31 December 2024</u></b> |                         |
|------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------|-------------------------------------------------------|-------------------------|
|                                                                              | <b><u>No. of<br/>shares' 000</u></b>                          | <b><u>Capital</u></b>   | <b><u>No. of<br/>shares' 000</u></b>                  | <b><u>Capital</u></b>   |
| Issued for cash                                                              | <b>680,000</b>                                                | <b>6,800,000</b>        | 680,000                                               | 6,800,000               |
| Issued for consideration in kind                                             | <b>170,000</b>                                                | <b>1,700,000</b>        | 170,000                                               | 1,700,000               |
| Issue of shares following the<br>conversion of long-term loan into<br>equity | <b>283,333</b>                                                | <b>2,833,333</b>        | 283,333                                               | 2,833,333               |
| Decrease in share capital                                                    | <b>(610,073)</b>                                              | <b>(6,100,734)</b>      | (610,073)                                             | (6,100,734)             |
|                                                                              | <b><u>523,260</u></b>                                         | <b><u>5,232,599</u></b> | <b><u>523,260</u></b>                                 | <b><u>5,232,599</u></b> |

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

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

| <b><u>Branch</u></b> | <b><u>CR Number</u></b> |
|----------------------|-------------------------|
| Jeddah               | 4030164269              |
| Riyadh               | 1010937549              |
| Rabigh               | 4602006934              |

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

For the three-month and nine-month periods ended 30 September 2025

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

**1. GENERAL INFORMATION (continued)**

The Company has the following subsidiaries as at 30 September 2025. The Company and its subsidiaries are incorporated in the Kingdom of Saudi Arabia. The subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

| <u>Name</u>                                                                                        | <u>Country of<br/>incorporation</u> | <u>Year of<br/>incorporation</u> | <b>Effective<br/>ownership as<br/>at 30<br/>September<br/>2025</b> | Effective<br>ownership as<br>at 31<br>December<br>2024 | <u>Nature of activities</u>                                                                                                             |
|----------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Economic Cities<br>Investments<br>Company<br>Limited<br>("ECIC")                                   | Kingdom of<br>Saudi Arabia          | 2010                             | <b>100%</b>                                                        | 100%                                                   | Buying, selling<br>and management<br>of real estate<br>properties and<br>operations of<br>educational and<br>technical<br>institutions. |
| Industrial Zones<br>Development<br>Company<br>Limited<br>("IZDCL")                                 | Kingdom of<br>Saudi Arabia          | 2011                             | <b>100%</b>                                                        | 100%                                                   | Sale/lease,<br>investment,<br>development of<br>real estate<br>development in<br>industrial valley in<br>KAEC.                          |
| Economic Cities<br>Real Estate<br>Properties<br>Operation and<br>Management<br>Company<br>("REOM") | Kingdom of<br>Saudi Arabia          | 2013                             | <b>100%</b>                                                        | 100%                                                   | Own, purchase,<br>sale, invest, and<br>lease of<br>commercial<br>properties.                                                            |
| Economic Cities<br>Pioneer Real<br>Estate<br>Management<br>Company<br>("REM")                      | Kingdom of<br>Saudi Arabia          | 2013                             | <b>100%</b>                                                        | 100%                                                   | Construction,<br>management,<br>development,<br>operation, lease of<br>residential<br>properties.                                       |

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

| <u>Name</u>                                                         | <u>Country of<br/>incorporation</u> | <u>Year of<br/>incorporation</u> | <b>Effective<br/>ownership as<br/>at 30<br/>September<br/>2025</b> | Effective<br>ownership as<br>at 31<br>December<br>2024 | <u>Nature of activities</u>                                                                                   |
|---------------------------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Economic Cities<br>Real Estate<br>Development<br>Company<br>("RED") | Kingdom of<br>Saudi Arabia          | 2013                             | <b>100%</b>                                                        | 100%                                                   | Own, purchase,<br>sale, investment,<br>development and<br>marketing of real<br>estate development<br>in KAEC. |
| Emaar<br>Knowledge<br>Company<br>Limited<br>("EKC")                 | Kingdom of<br>Saudi Arabia          | 2015                             | <b>100%</b>                                                        | 100%                                                   | Construct and<br>operate business<br>educational<br>institute in KAEC.                                        |

**Going concern**

The Group incurred a net loss of SR 302 million for the nine-month period ended 30 September 2025 (30 September 2024: SR 1,153 million), and as of that date, its current liabilities exceeded current assets by SR 3,897 million (31 December 2024: SR 7,750 million). The Group had incurred significant losses in recent years, which were successfully extinguished during the year 2024 through capital reduction. However, material uncertainties continue to exist regarding the Group's ability to achieve sustainable profitability. This is contingent upon the successful execution of its strategic initiatives as outlined below.

These conditions, along with certain other events as disclosed in the subsequent paragraphs, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

King Abdullah Economic City ("KAEC" or the "City") was announced in 2005, and development began in 2006. The City is intended to be a hub for various economic sectors, including industry, logistics, and tourism. It is planned to include residential areas, commercial centres, and other amenities, such as schools, hospitals, and recreational facilities. KAEC has faced challenges related to investment and development, besides logistical and infrastructure challenges. Building a city from scratch on a large scale is a complex undertaking. However, over the years, the Group has done massive development in the City. Apart from the Industrial Valley, the City has six distinctive residential districts each with its unique construction, location and facilities. Further, the City has multiple fully developed and functional facilities like luxury hotels, 18-hole championship golf course, resorts, beaches, a cinema, yacht club, karting centre, lagoon campsite, art centre, retail, schools, college, medical facilities, labour village etc. The Group is currently going through a restructuring plan.

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

For the three-month and nine-month periods ended 30 September 2025

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

**1. GENERAL INFORMATION (continued)**

**Going concern plan**

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

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

| <b>As at 30 September<br/>2025</b> | <b><u>Within 1<br/>year</u></b> | <b><u>1-2 years</u></b> | <b><u>2-5 years</u></b> | <b><u>Over 5<br/>years</u></b> | <b><u>Total<br/>contractual<br/>cash flows</u></b> |
|------------------------------------|---------------------------------|-------------------------|-------------------------|--------------------------------|----------------------------------------------------|
| Loans and borrowings               | 4,624,283                       | 588,015                 | 1,207,861               | 4,112,094                      | 10,532,253                                         |
| Trade and other<br>payables        | 1,000,666                       | --                      | --                      | --                             | 1,000,666                                          |
| Lease liabilities                  | 53,211                          | 12,584                  | 11,987                  | --                             | 77,782                                             |
| <b>Total</b>                       | <b>5,678,160</b>                | <b>600,599</b>          | <b>1,219,848</b>        | <b>4,112,094</b>               | <b>11,610,701</b>                                  |

In assessing the appropriateness of applying the going concern basis in the preparation of these condensed consolidated interim financial statements, the Group's management has developed a plan which covers a period of at least twelve-months from 30 September 2025 to enable the Group to meet both its obligations as they become due and to continue its operations, without significant curtailment, as a going concern in both the short and long term.

Management has concluded that the Group would not have been able to fully satisfy its cash requirements from the sale of properties alone. Accordingly, the Group successfully completed a restructuring of its borrowing facilities, and debt to equity conversion is ongoing, as detailed below, to address this funding gap and support its ongoing operations.

The plan comprises the Group's liquidity and forecasts cash flows taking into account reasonably possible outcomes over a fifteen-months period from 30 September 2025. As per the forecasted cash flows, there are no loan repayments in the next 15 months, as part of the newly restructured syndicated loan in line with the Board approved business transformation plan.

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

For the three-month and nine-month periods ended 30 September 2025

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

**1. GENERAL INFORMATION (continued)**

**Going concern plan (continued)**

This plan principally includes:

| <u>Plan</u>        | <u>Description</u>                | <u>Amount (SR)</u> | <u>Details</u>                                                                                                                                                                                                   |
|--------------------|-----------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt restructuring | Loan due to local banks - Note 12 | 3,745 million      | The Group submitted a comprehensive business transformation plan to its lenders as part of management's strategy to address liquidity challenges and support the Group's ability to continue as a going concern. |

Accordingly, on 07 September 2024, the Group signed a non-binding term sheet to restructure its existing financing facilities amounting to SR 3,471 million with Alinma Bank, Saudi Awwal Bank, Banque Saudi Fransi and The Saudi National Bank (together, the "Banks") under one common syndicate arrangement. As part of the restructuring, a new credit facility amounting to SR 301.4 million had to be made available to the Group.

On 27 April 2025, the non-binding term sheet was converted into fully binding agreements with the Banks, comprising of two tranches: SR 400 million (Tranche A) and SR 2,992 million (Tranche B), with a profit rate based on SAIBOR plus a fixed margin with annual profit payments. The facility matures on 31 December 2033.

The Group also entered into a new money facility with the Banks amounting to SR 287 million for adjustment of accrued markup related to existing financing facilities. The facility carries a profit rate based on SAIBOR plus a pre-agreed margin and is repayable in accordance with the terms set out in the agreement, with a final maturity date of 30 June 2026, and with the possibility of an extension for one additional year to 30 June 2027 subject to satisfaction of certain conditions by the Group.

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

For the three-month and nine-month periods ended 30 September 2025

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

**1. GENERAL INFORMATION (continued)**

**Going concern plan (continued)**

| <u>Plan</u>        | <u>Description</u>                                          | <u>Amount (SR)</u> | <u>Details</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|-------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt<br>Conversion | Loan from<br>Public<br>Investment Fund<br>("PIF") - Note 12 | 4,118 million      | During February 2023, the Group signed a Term Loan Facility with one of its substantial shareholders, PIF, for up to SR 1,000 million to be repaid after 21 months through a single bullet payment at maturity. Financial costs on the facility is based on SIBOR + spread. The loan contains a conversion option to equity, exercisable by PIF, subject to certain required approvals under the applicable laws and regulations. The loan is secured against certain real estate assets within KAEC. The loan facility will be used to finance specific critical expenses including strategic capital expenditures. As of 30 June 2024, management has fully drawn down this facility. |

On 7 September 2024, the Group signed a loan conversion agreement with PIF, and the Board of Directors of the Group recommended to the shareholders to increase the Company's share capital through converting loan due to PIF amounting to SR 3,972.4 million, which includes SR 2,911.6 million loan novated from MoF.

The Board of Directors, through a resolution issued by circulation on 08 March 2025, amended the original recommendation to increase the amount of debt to be converted from SR 3,972.4 million to SR 4,118.2 million. This increase reflects the inclusion of all interest, commissions, and fees up to 31 December 2024. Moreover, on 09 March 2025, the Group entered into an addendum to the Conversion Agreement with PIF to incorporate this increase and agree upon the conversion mechanics.

The Group has submitted the application of capital increase through debt conversion to Capital Market Authority ("CMA") and the said approval for capital increase is pending as of 30 September 2025. As the approval process is still ongoing and the conversion remains subject to shareholders' approval, the debt conversion agreement has not yet become enforceable.

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

For the three-month and nine-month periods ended 30 September 2025

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

During the quarter ended 30 September 2025, the Group announced extension of the conversion term until 31 December 2025 instead of 07 September 2025.

**1. GENERAL INFORMATION (continued)**

**Going concern plan (continued)**

| <u>Plan</u>          | <u>Description</u>                       | <u>Amount (SR)</u> | <u>Details</u>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------|------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional Financing | Loan from Public Investment Fund ("PIF") | 1,000 million      | During September 2024, the Group signed a non-binding Term sheet with one of its substantial shareholders, PIF, for up to SR 1,000 million with a potential conversion into equity that remains subject to regulatory and shareholders' approvals. Accordingly, the conversion arrangement is not yet legally enforceable. The loan facility will be used to finance critical strategic capital expenditures of the Group to enable revenue generation. |

On 18 March 2025, the Group and PIF signed a shareholder loan agreement amounting to SR 1,000 million. During the period ended 30 September 2025, SR 500 million have been drawn from this facility.

Based on the above plan, the Group has prepared a detailed cash flow forecast for the fifteen-months period from the reporting date which indicates a net positive cash flow position, subject to non-repayment of any loan outstanding amounts and additional shareholder funding. Although, there is a material uncertainty related to the successful execution and conclusion of the above plan, management continues to believe projected cash flows plan through debt restructuring, raising additional funding from shareholders and sale of properties is probable and these plans will be successful and it remains appropriate to prepare the condensed consolidated interim financial statements on a going concern basis as the above plan mitigates any shortfall that may arise during the next 12 months. The financial statements do not contain any adjustments which may be required if the Group was unable to continue as a going concern. In the event that there are changes to the circumstances described above, further enhanced disclosures in the financial statements of the Group for subsequent periods may be required.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

The condensed consolidated interim financial statements do not include all the information and disclosures required for the full set of annual financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

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**2. BASIS OF PREPARATION (continued)**

**2.1 Statement of compliance (continued)**

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, the results for the nine-months period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

**2.2 Basis of measurement**

These condensed consolidated interim financial statements have been prepared under the historical cost basis, unless stated otherwise, using the accrual basis of accounting and the going concern concept.

**2.3 Functional and presentation currency**

The Group's condensed consolidated interim financial statements are presented in Saudi Arabian Riyals, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency. All figures are rounded off to the nearest thousands except when otherwise indicated.

**3. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

The significant judgments made by management in applying the Group's accounting policies and the key assumptions concerning the future and other key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements for the year ended 31 December 2024, except during the period, the Group has used unobservable market inputs as a best estimate to determine fair value of syndicated loan facility (refer Note 12).

**4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED**

**Standards, interpretations and amendments issued but not yet effective**

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

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

For the three-month and nine-month periods ended 30 September 2025

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

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

Standards, interpretations and amendments issued but not yet effective

| <i><u>Standard /<br/>Interpretation</u></i> | <i><u>Description</u></i>                                                                                                   | <i><u>Effective from periods<br/>beginning on or after<br/>the following date</u></i> |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| IFRS 9 and<br>IFRS 7                        | Classification and Measurement of Financial<br>Instruments (Amendments to IFRS 9 and IFRS 7)                                | January 1, 2026                                                                       |
| IFRS 18                                     | Presentation and Disclosure in Financial Statements                                                                         | January 1, 2027                                                                       |
| IFRS 19                                     | Subsidiaries without Public Accountability:<br>Disclosures                                                                  | January 1, 2027                                                                       |
| IFRS 10 and<br>IAS 28                       | Sale or contribution of assets between investor and<br>its associate or joint venture (amendments to IFRS<br>10 and IAS 28) | Available for optional<br>adoption / effective date<br>deferred indefinitely          |

**5. REVENUE**

|                                                             | <b><u>Three-month periods<br/>ended 30 September</u></b> |                    | <b><u>Nine-month periods<br/>ended 30 September</u></b> |                    |
|-------------------------------------------------------------|----------------------------------------------------------|--------------------|---------------------------------------------------------|--------------------|
|                                                             | <b><u>2025</u></b>                                       | <b><u>2024</u></b> | <b><u>2025</u></b>                                      | <b><u>2024</u></b> |
|                                                             | <b>(Unaudited)</b>                                       | <b>(Unaudited)</b> | <b>(Unaudited)</b>                                      | <b>(Unaudited)</b> |
| <b>Types of revenue from contracts<br/>with customers:</b>  |                                                          |                    |                                                         |                    |
| Sale of development properties                              | <b>259,693</b>                                           | 19,824             | <b>391,288</b>                                          | 26,174             |
| Utilities and other related services<br>("City operations") | <b>37,663</b>                                            | 29,577             | <b>107,162</b>                                          | 84,413             |
| Accommodation                                               | <b>11,084</b>                                            | 6,846              | <b>38,627</b>                                           | 30,727             |
| Tuition and other fees<br>("Education")                     | <b>22,160</b>                                            | 17,396             | <b>60,175</b>                                           | 47,993             |
| Food and beverages and other<br>related services            | <b>3,098</b>                                             | 1,959              | <b>10,423</b>                                           | 10,330             |
| Leisure services                                            | <b>1,444</b>                                             | 1,776              | <b>5,602</b>                                            | 7,559              |
| <b>Total</b>                                                | <b>335,142</b>                                           | 77,378             | <b>613,277</b>                                          | 207,196            |
| <b>Timing of revenue recognition</b>                        |                                                          |                    |                                                         |                    |
| Over time                                                   | <b>331,797</b>                                           | 74,951             | <b>602,596</b>                                          | 195,198            |
| Point-in-time (*)                                           | <b>3,345</b>                                             | 2,427              | <b>10,681</b>                                           | 11,998             |
| <b>Revenue from contract with<br/>customers</b>             | <b>335,142</b>                                           | 77,378             | <b>613,277</b>                                          | 207,196            |
| <b>Lease rental income</b>                                  |                                                          |                    |                                                         |                    |
| Industrial                                                  | <b>18,517</b>                                            | 11,432             | <b>51,732</b>                                           | 27,656             |
| Residential                                                 | <b>4,800</b>                                             | 1,910              | <b>15,589</b>                                           | 6,311              |
| <b>Total lease rental income</b>                            | <b>23,317</b>                                            | 13,342             | <b>67,321</b>                                           | 33,967             |
| <b>Total revenue</b>                                        | <b>358,459</b>                                           | 90,720             | <b>680,598</b>                                          | 241,163            |

(\*) Revenue from point-in-time includes food and beverage services amounting to SR 10.4 million and leisure services amounting to SR 0.3 million.

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

For the three-month and nine-month periods ended 30 September 2025

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

**6. LOSS PER SHARE**

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

The loss per share calculation is given below:

|                                                                                | <b>Three-month periods<br/>ended September 30</b> |                         | <b>Nine-month periods<br/>ended September 30</b> |                           |
|--------------------------------------------------------------------------------|---------------------------------------------------|-------------------------|--------------------------------------------------|---------------------------|
|                                                                                | <b><u>2025</u></b>                                | <b><u>2024*</u></b>     | <b><u>2025</u></b>                               | <b><u>2024*</u></b>       |
|                                                                                | <b>(Unaudited)</b>                                |                         | <b>(Unaudited)</b>                               |                           |
| Loss for the period attributable to owners of the Company (Saudi Riyals '000') | <b><u>(134,869)</u></b>                           | <b><u>(458,869)</u></b> | <b><u>(301,812)</u></b>                          | <b><u>(1,152,788)</u></b> |
| Weighted average number of ordinary shares (in thousands)                      | <b><u>523,259</u></b>                             | <b><u>523,259</u></b>   | <b><u>523,259</u></b>                            | <b><u>523,259</u></b>     |
| Loss per share (Saudi Riyals) - Basic and Diluted                              | <b><u>(0.26)</u></b>                              | <b><u>(0.88)</u></b>    | <b><u>(0.58)</u></b>                             | <b><u>(2.20)</u></b>      |

\* On 31 December 2024, the Company reduced its share capital from SR 11,333,333,340 to SR 5,232,599,090.

In accordance with IAS 33, Earnings Per Share (EPS) for prior period has been retrospectively adjusted to reflect the reduction in the number of shares.

**7. PROPERTY AND EQUIPMENT**

|                                                       | <b>For the nine-<br/>months period<br/>ended 30<br/>September<br/><u>2025</u><br/>(Unaudited)</b> | <b>For the year<br/>ended 31<br/>December<br/><u>2024</u><br/>(Audited)</b> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Cost:</b>                                          |                                                                                                   |                                                                             |
| At the beginning of the period/year                   | <b>7,392,969</b>                                                                                  | 7,127,542                                                                   |
| Additions during the period/year                      | <b>43,524</b>                                                                                     | 290,078                                                                     |
| Transfer to investment properties                     | --                                                                                                | (24,645)                                                                    |
| Disposal                                              | --                                                                                                | (6)                                                                         |
| At the end of the period/year                         | <b><u>7,436,493</u></b>                                                                           | <u>7,392,969</u>                                                            |
| <b>Accumulated depreciation and impairment:</b>       |                                                                                                   |                                                                             |
| At the beginning of the period/year                   | <b>2,399,589</b>                                                                                  | 2,210,323                                                                   |
| Depreciation charge for the period/year               | <b>153,790</b>                                                                                    | 189,272                                                                     |
| Disposal                                              | --                                                                                                | (6)                                                                         |
| At the end of the period/year                         | <b><u>2,553,379</u></b>                                                                           | <u>2,399,589</u>                                                            |
| <b>Net book value at the end of the period / year</b> | <b><u>4,883,114</u></b>                                                                           | <u>4,993,380</u>                                                            |

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

For the three-month and nine-month periods ended 30 September 2025

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

**7. PROPERTY AND EQUIPMENT (continued)**

- a) Included within property and equipment is capital work in progress amounting to SR 1,271 million (2024: SR 1,970 million) which mainly represents construction costs in respect of the infrastructure and other projects at KAEC.

The Group has relied on the impairment assessment performed as of 31 December 2024. Management of the Group believes that the recoverable value of the Group's properties didn't significantly change from the assessment performed for the purpose of the Group's last audited consolidated financial statements for the year ended 31 December 2024, up to the nine-months period ended 30 September 2025.

**8. INVESTMENT PROPERTIES**

|                                                       | <b>For the nine-<br/>months period<br/>ended 30<br/>September<br/><u>2025</u><br/>(Unaudited)</b> | <b>For the year<br/>ended 31<br/>December<br/><u>2024</u><br/>(Audited)</b> |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Cost:</b>                                          |                                                                                                   |                                                                             |
| At the beginning of the period / year                 | 5,120,336                                                                                         | 5,090,703                                                                   |
| Additions during the period / year                    | 9,407                                                                                             | 17,514                                                                      |
| Transfer from development properties                  | --                                                                                                | 24,645                                                                      |
| Disposals during the period / year                    | (1,157)                                                                                           | (11,198)                                                                    |
| Transfer to development properties                    | --                                                                                                | (1,328)                                                                     |
| At the end of the period/year                         | <u>5,128,586</u>                                                                                  | <u>5,120,336</u>                                                            |
| <b>Accumulated depreciation and impairment:</b>       |                                                                                                   |                                                                             |
| At the beginning of the period/year                   | 520,788                                                                                           | 471,453                                                                     |
| Depreciation charge for the period/year               | 36,855                                                                                            | 48,799                                                                      |
| Reversal of impairment                                | (671)                                                                                             | (1,094)                                                                     |
| Disposals during the period/year                      | (586)                                                                                             | 1,630                                                                       |
| At the end of the period/year                         | <u>556,386</u>                                                                                    | <u>520,788</u>                                                              |
| <b>Net book value at the end of the period / year</b> | <u><u>4,572,200</u></u>                                                                           | <u><u>4,599,548</u></u>                                                     |

- a) Included within investment properties as at 30 September 2025 is capital work in progress amounting to SR 1,016 million (31 December 2024: SR 1,011 million) which represents assets under construction relating to a commercial centre's expansion and infrastructure development work on the land parcels.
- b) As at 30 September 2025 the Group's investment properties with a carrying amount of SR 923 million (31 December 2024: SR 923 million) were mortgaged as collateral against loans and borrowings.

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**8. INVESTMENT PROPERTIES (continued)**

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

|                                      | <u>Fair value</u>                                 |                                                | <u>Carrying amount</u>                            |                                                |
|--------------------------------------|---------------------------------------------------|------------------------------------------------|---------------------------------------------------|------------------------------------------------|
|                                      | <u>30 September</u><br><u>2025</u><br>(Unaudited) | <u>31 December</u><br><u>2024</u><br>(Audited) | <u>30 September</u><br><u>2025</u><br>(Unaudited) | <u>31 December</u><br><u>2024</u><br>(Audited) |
| Rental income                        | 9,507,655                                         | 9,510,000                                      | 1,781,929                                         | 1,809,278                                      |
| Currently undetermined<br>future use | 29,759,702                                        | 29,759,702                                     | 2,790,270                                         | 2,790,270                                      |
|                                      | <u>39,267,357</u>                                 | <u>39,269,702</u>                              | <u>4,572,199</u>                                  | <u>4,599,548</u>                               |

- d) As at 30 September 2025 and 31 December 2024, the Group has no contractual obligation for future repairs and maintenance which are not recognized as liability.

The Group has relied on the impairment assessment performed as of 31 December 2024. Management of the Group believes that the recoverable value of the Group's properties didn't significantly change from the assessment performed for the purpose of the Group's last audited consolidated financial statements for the year ended 31 December 2024, up to the nine-months period ended 30 September 2025.

**9. DEVELOPMENT PROPERTIES**

|                                               | <u>30 September</u><br><u>2025</u><br>(Unaudited) | <u>31 December</u><br><u>2024</u><br>(Audited) |
|-----------------------------------------------|---------------------------------------------------|------------------------------------------------|
| Costs incurred to-date                        | 1,488,534                                         | 1,526,013                                      |
| Transferred from investment properties        | --                                                | 1,328                                          |
| Add: additions                                | 14,151                                            | --                                             |
| Less: disposals                               | (60,312)                                          | (38,807)                                       |
| Less: provision for development properties    | (165,225)                                         | (169,905)                                      |
| <b>Total</b>                                  | <u>1,277,148</u>                                  | <u>1,318,629</u>                               |
| Current portion of development properties     | 818,905                                           | 835,611                                        |
| Non-current portion of development properties | 458,243                                           | 483,018                                        |
| <b>Total</b>                                  | <u>1,277,148</u>                                  | <u>1,318,629</u>                               |

Disposals from development properties are recognised as expense within cost of revenue.

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

|                                            | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|--------------------------------------------|----------------------------------------------|-------------------------------------------|
| <b>Financial assets</b>                    |                                              |                                           |
| Trade receivables                          | 769,659                                      | 736,664                                   |
| Less: impairment on trade receivables      | (359,064)                                    | (358,097)                                 |
| Amounts due from related parties           | 93,161                                       | 34,028                                    |
|                                            | <u>503,756</u>                               | <u>412,595</u>                            |
| <br>Others                                 | <br>61,337                                   | <br>61,472                                |
|                                            | <u>565,093</u>                               | <u>474,067</u>                            |
| <b>Non-financial assets</b>                |                                              |                                           |
| Prepayments                                | 28,662                                       | 29,288                                    |
| Advances to suppliers                      | 119,752                                      | 77,968                                    |
| Others                                     | 119,020                                      | 104,906                                   |
|                                            | <u>267,434</u>                               | <u>212,162</u>                            |
| Trade receivables and other current assets | <u>832,527</u>                               | <u>686,229</u>                            |

**11. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES**

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

|                                                                                                                                   | <b>Effective ownership<br/>interest (%)</b> |        | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------|----------------------------------------------|-------------------------------------------|
|                                                                                                                                   |                                             |        | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
| Investment in Ports<br>Development Company<br>“PDC” (see note (a) below)                                                          | 50%                                         | 50%    | 2,384,093                                    | 2,456,361                                 |
| Investment in Biyoutat<br>Progressive Company for<br>Real Estate Investment &<br>Development (“Biyoutat”)<br>(see note (b) below) | 20%                                         | 20%    | 45,790                                       | 45,790                                    |
| Investment in Albilad<br>Tourism Fund (see note (c)<br>below)                                                                     | 41.15%                                      | 41.15% | <u>162,456</u><br><u>2,592,339</u>           | <u>209,655</u><br><u>2,711,806</u>        |

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

For the three-month and nine-month periods ended 30 September 2025

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

**11. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (continued)**

*a) Investment in PDC - Joint Venture*

PDC is a closed joint stock company and is principally engaged in the development, finance, operation and maintenance of the King Abdullah Port through its own and third parties' resources.

|                                                         | <b>30 September<br/><u>2025</u><br/>(Unaudited)</b> | 31 December<br><u>2024</u><br>(Audited) |
|---------------------------------------------------------|-----------------------------------------------------|-----------------------------------------|
| Beginning of the period / year                          | <b>2,456,361</b>                                    | 2,552,079                               |
| Share of loss for the period / year                     | <b>(59,504)</b>                                     | (88,752)                                |
| Share of other comprehensive loss for the period / year | <b>(12,764)</b>                                     | (6,966)                                 |
| End of the period / year                                | <b><u>2,384,093</u></b>                             | <u>2,456,361</u>                        |

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

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

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

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

*b) Investment in Biyouat - Associate*

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

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**11. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES (continued)**

*c) Investment in Albilad Tourism Fund - Equity investment*

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

In return for the land sale, the Group acquired units in the Fund amounting to SR 269.2 million, representing 41.15% of the Fund’s equity. The Fund’s term is 12 years and is extendable up to 3 additional years. The Group has performed an assessment of the criteria to determine whether the Group has control over the Fund and concluded that the Group does not have control, but significant influence over the Fund. Accordingly, the Fund is being accounted as equity investment in the condensed consolidated interim financial statements for the nine-months period ended 30 September 2025.

|                                                            | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|------------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Initial investment                                         | <b>209,655</b>                               | 239,499                                   |
| Elimination of share of profit on contribution of land (*) | <b>(44,517)</b>                              | (25,764)                                  |
|                                                            | <b>165,138</b>                               | 213,735                                   |
| Opening balance of investment                              | <b>165,138</b>                               | 213,735                                   |
| Share of loss for the period                               | <b>(2,682)</b>                               | (4,080)                                   |
| Closing investment                                         | <b>162,456</b>                               | 209,655                                   |

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

During the period ended September 30, 2025, a fire occurred at the Rixos Hotel project, in which Emaar, The Economic City (“EEC”) holds a 41.15% equity interest through the Albilad Tourism Fund. The affected area was contained, and assessments by the developer, insurers, and relevant authorities are ongoing. As the project has not yet been formally handed over, all related liabilities, insurance claims, and restoration obligations remain with the developer.

Due to the current uncertainty regarding the extent of damage, repair costs, and potential insurance recoveries, no impairment loss or provision has been recognized as of the reporting date, as a reliable estimate of any financial impact cannot yet be determined. The Group will continue to monitor the situation, and any financial effects will be recognized when sufficient and reliable information becomes available.

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

For the three-month and nine-month periods ended 30 September 2025

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

**12. LONG-TERM BORROWINGS**

|                                                         | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|---------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Ministry of Finance (“MoF”) loan (Note (b) below)       | --                                           | 2,166,667                                 |
| Accrued commission                                      | --                                           | 744,937                                   |
| Novation to a shareholder                               | --                                           | (2,911,604)                               |
| Facility from local banks                               | <b>3,317,894</b>                             | 3,317,894                                 |
| Short term loan                                         | <b>150,000</b>                               | --                                        |
| Accrued commission on existing facility                 | <b>561,516</b>                               | 435,002                                   |
| Repayment of loan                                       | <b>(78,968)</b>                              | --                                        |
| Gain on extinguishment of financial liabilities         | <b>(242,839)</b>                             | --                                        |
| Restructured to a syndicated facility (Note (a) below)  | <b>3,707,603</b>                             | 3,752,896                                 |
| Facility from local banks                               | <b>3,493,203</b>                             | --                                        |
| Accrued commission before restructuring                 | <b>214,400</b>                               | --                                        |
| Restructured syndicated facility                        | <b>3,707,603</b>                             | --                                        |
| Accrued commission after restructuring till 30 Sep 2025 | <b>101,287</b>                               | --                                        |
| Repayment of loan                                       | <b>(19,542)</b>                              | --                                        |
| Payment of accrued commission                           | <b>(43,934)</b>                              | --                                        |
| Total restructured syndicated facility                  | <b>3,745,414</b>                             | --                                        |
| Current portion                                         | <b>(274,983)</b>                             | --                                        |
| Non-current portion                                     | <b>3,470,431</b>                             | --                                        |
| Facility from a shareholder (Note (b) below)            | <b>958,252</b>                               | 958,252                                   |
| Accrued commission                                      | <b>447,204</b>                               | 248,365                                   |
| Novation from MoF                                       | <b>2,911,604</b>                             | 2,911,604                                 |
|                                                         | <b>4,317,060</b>                             | 4,118,221                                 |
| Current portion                                         | <b>(4,317,060)</b>                           | (4,118,221)                               |
| Non-current portion                                     | --                                           | --                                        |
| Facility from a shareholder (Note (c) below)            | <b>500,000</b>                               | --                                        |
| Accrued commission                                      | <b>13,946</b>                                | --                                        |
|                                                         | <b>513,946</b>                               | --                                        |
| Current portion                                         | --                                           | --                                        |
| Non-current portion                                     | <b>513,946</b>                               | --                                        |
| Total long-term borrowings                              | <b>8,576,420</b>                             | 7,871,117                                 |
| Current portion of long-term borrowings                 | <b>(4,592,043)</b>                           | (7,871,117)                               |
| Non-current portion of long-term borrowings             | <b>3,984,377</b>                             | --                                        |

- a) On 31 December 2024, SR 3,914 million (including accrued commission) was due to local banks (including short term loan). During the period 01 January 2025 till 27 April 2025, the Group has accrued commission of SR 115 million on existing facility. On 27 April 2025, the Group entered into fully binding rescheduled Murabaha syndicated facility agreements with the Banks which comprises of restructuring of existing facility and drawdown of additional Murabaha financing (“New money facility”). Under restructuring agreement, the existing loan facility SR 3,707 million was restructured into Syndicated facility.

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

For the three-month and nine-month periods ended 30 September 2025

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

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**12. LONG-TERM BORROWINGS (continued)**

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

On the date of restructuring, carrying value of the syndicated facility along with new money facility exceed its fair value by SR 243 million, resulting in gain on extinguishment.

The new rescheduled term is until 31 December 2033 with repayment instalments due on an annual basis from 31 December 2029 until 31 December 2033, with the possibility based on the agreement of the Banks and the Company to extend the tranche B facility maturity date until 31 December 2036. The New money facility is a single bullet payment on 30 June 2026 with the possibility of an extension for one additional year to 30 June 2027 subject to satisfaction of certain conditions by the Group.

- b) During February 2023, the Group signed a Term Loan Facility with one of its substantial shareholders, PIF, for up to SR 1,000 million to be repaid after 21 months through a single bullet payment at maturity. Financial costs on the facility will be based on SIBOR + spread. The loan contains a conversion option to equity, exercisable by PIF, subject to certain required approvals under the applicable laws and regulations. The loan is secured against certain real estate assets within KAEC. The loan facility will be used to finance specific critical expenses including strategic capital expenditures. As at 30 September 2025, the Group has drawn SR 1,000 million from this loan facility.

On 5 September 2024, the MoF agreed to the Group's request to reschedule the loan by granting a one-year grace period until next instalment on 01 June 2025.

On 7 September 2024, the 2nd novation agreement was signed between the Group, Public Investment fund ("PIF") and MoF wherein they agreed on the novation of remainder loan balance due to MoF, amounting to SAR 2,912 million (the novation amount) from MoF to PIF including accrued commission as of 01 June 2024. Further, this novation agreement has been approved by the Company's Board of Directors on 07 September 2024.

- c) During September 2024, the Group signed a non-binding Term sheet with one of its substantial shareholders, PIF, for up to SR 1,000 million with a potential conversion into equity that remains subject to regulatory and shareholders' approvals. Accordingly, the conversion arrangement is not yet legally enforceable. The loan facility will be used to finance critical strategic capital expenditures of the Group to enable revenue generation. On 18 March 2025, the Group and Public Investment Fund (PIF) entered into an agreement for the PIF to make available a SR 1,000 million shareholder loan. Currently SR 500 million funds have been drawn from this facility as of 30 September 2025.

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**13. ZAKAT**

**Movement in provision**

The movement in the Zakat provision is as follows:

|                                       | <b>30 September<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|---------------------------------------|----------------------------------------------|-------------------------------------------|
| At the beginning of the period / year | <b>48,209</b>                                | 250,738                                   |
| Charge for the period / year          | <b>13,500</b>                                | 76,032                                    |
| Transfer to liability                 | --                                           | (253,198)                                 |
|                                       | <b>13,500</b>                                | (177,166)                                 |
| Payments during the period / year     | <b>(1,897)</b>                               | (25,363)                                  |
| At the end of the period / year       | <b>59,812</b>                                | 48,209                                    |

**13.1 Components of zakat base**

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

**13.2 Status of final assessments**

There have been no changes to the status of open zakat assessments as of September 30, 2025, as disclosed in the Group's consolidated financial statements for the year ended December 31, 2024.

During the period SR 50 million was paid from the zakat liability which is included in trade and other payables.

**14. RELATED PARTY TRANSACTIONS**

Related parties include shareholders, directors, associated companies and key management personnel of the Group. Further, these also includes entities controlled or jointly controlled such parties.

The Government of Kingdom of Saudi Arabia controls Public Investment Fund which exercises significant influence over the Group due to its shareholding. As a result, the Government of Saudi Arabia, semi-Government and other entities with Government ownership or control, including, but not limited to ministries, regulatory bodies and authorities are related parties of the Group. In accordance with the exemption in IAS 24, the management has adopted a partial exemption for disclosure of transactions and balances for government-related entities as required under IAS 24.

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025

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

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**14. RELATED PARTY TRANSACTIONS (continued)**

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

| <u>Name</u>                                                           | <u>Relationship</u>                              |
|-----------------------------------------------------------------------|--------------------------------------------------|
| Ports Development Company                                             | Joint Venture                                    |
| Biyoutat Progressive Company for Real Estate Investment & Development | Joint Venture                                    |
| RIXOS – AlBilad Tourism Fund                                          | Associate                                        |
| Public Investment Fund (PIF)                                          | Shareholder -<br>having significant<br>influence |
| Various Government related entities                                   |                                                  |

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**14. RELATED PARTY TRANSACTIONS (continued)**

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

| Related party                                                         | Nature of transactions                            | Amount of transactions for the three-month period ended |                   | Amount of transactions for the nine-month period ended |                   | Balance as at     |                  |
|-----------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|-------------------|--------------------------------------------------------|-------------------|-------------------|------------------|
|                                                                       |                                                   | 30 September 2025                                       | 30 September 2024 | 30 September 2025                                      | 30 September 2024 | 30 September 2025 | 31 December 2024 |
| Amounts due from related parties                                      |                                                   |                                                         |                   |                                                        |                   |                   |                  |
| Government related entities                                           | Sale, lease, service and utility charges          | 193,411                                                 | 24                | 203,833                                                | 84                | 92,465            | 33,348           |
| RIXOS Albilad Tourism Fund                                            | Contribution of land to the fund                  | 5,013                                                   | --                | 77,118                                                 | --                | --                | --               |
| Biyoutat Progressive Company for Real Estate Investment & Development | Sale, lease, Service and Utility Charges          | --                                                      | --                | --                                                     | --                | 402               | 402              |
| Ports Development Company                                             | Sale, lease, Service and Utility Charges          | --                                                      | --                | --                                                     | --                | 180               | 180              |
| Key Management Personnel                                              |                                                   |                                                         |                   |                                                        |                   |                   |                  |
|                                                                       | Sale of Properties, Utilities and Service Charges | --                                                      | 91                | 38                                                     | 97                | 1                 | --               |
| Board of Directors                                                    |                                                   |                                                         |                   |                                                        |                   |                   |                  |
|                                                                       | Sale, lease, Service and Utility Charges          | 5                                                       | 5                 | 14                                                     | 14                | 114               | 98               |

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

For the three-month and nine-month periods ended 30 September 2025

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

**14. RELATED PARTY TRANSACTIONS (continued)**

| <u>Related party</u>                  | <u>Nature of transactions</u> | <u>Amount of transactions for the three-month period ended</u> |                          | <u>Amount of transactions for the nine-month period ended</u> |                          | <u>Balance as at</u>     |                         |
|---------------------------------------|-------------------------------|----------------------------------------------------------------|--------------------------|---------------------------------------------------------------|--------------------------|--------------------------|-------------------------|
|                                       |                               | <u>30 September 2025</u>                                       | <u>30 September 2024</u> | <u>30 September 2025</u>                                      | <u>30 September 2024</u> | <u>30 September 2025</u> | <u>31 December 2024</u> |
| <b>Amounts due to related parties</b> |                               |                                                                |                          |                                                               |                          |                          |                         |
| Government related entities           | Services received             | <b>11,510</b>                                                  | --                       | <b>30,652</b>                                                 | --                       | <b>10,031</b>            | 119,109                 |
| Public Investment Fund                | Loan                          | --                                                             | --                       | <b>500,000</b>                                                | 550,000                  | <b>4,411,604</b>         | 3,911,604               |
|                                       | Accrued Interest              | <b>65,230</b>                                                  | 5,074                    | <b>212,784</b>                                                | 50,098                   | <b>419,402</b>           | 206,617                 |
| <b>Key Management Personnel</b>       |                               |                                                                |                          |                                                               |                          |                          |                         |
|                                       | Remuneration                  | <b>6,443</b>                                                   | 4,681                    | <b>18,584</b>                                                 | 10,594                   | --                       | --                      |
| <b>Board of Directors</b>             |                               |                                                                |                          |                                                               |                          |                          |                         |
|                                       | Remuneration and meeting fees | <b>1,378</b>                                                   | 1,430                    | <b>4,132</b>                                                  | 4,290                    | <b>4,132</b>             | 5,720                   |
|                                       | Advances                      | --                                                             | --                       | --                                                            | --                       | <b>16</b>                | 16                      |

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

For the three-month and nine-month periods ended 30 September 2025  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**14. RELATED PARTY TRANSACTIONS (continued)**

**Compensation of key management personnel of the Group**

|                              | Amounts of transactions for<br>the three-month period ended<br>30 September 2025 |                      | Amounts of transactions for the<br>nine-month period ended<br>30 September 2025 |                      |
|------------------------------|----------------------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------|----------------------|
|                              | 30 September<br>2025                                                             | 30 September<br>2024 | 30 September<br>2025                                                            | 30 September<br>2024 |
|                              | (Unaudited)                                                                      |                      | (Unaudited)                                                                     |                      |
| Short-term employee benefits | 3,676                                                                            | 3,943                | 9,956                                                                           | 9,375                |
| Non-monetary benefits        | 35                                                                               | 15                   | 52                                                                              | 45                   |
| Post-employment benefits     | 2,425                                                                            | 119                  | 7,656                                                                           | 327                  |
| Termination benefits         | 307                                                                              | 605                  | 920                                                                             | 847                  |
|                              | <u>6,443</u>                                                                     | <u>4,682</u>         | <u>18,584</u>                                                                   | <u>10,594</u>        |

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

**15. CONTINGENT LIABILITIES AND COMMITMENTS**

There are no changes in contingent liabilities and commitments, as at 30 September 2025, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2024, except as mentioned below:

- The Group has outstanding commitments related to future expenditure for the development of KAEC in the coming few years related to property and equipment, investment properties and development properties amounts to SR 532.64 million, SR 144.80 million and SR 72.03 million respectively (31 December 2024: SR 554.70 million, SR 150.97 million and SR 85.53 million respectively).
- The Group has no outstanding commitments related to letter of guarantee and letters of credit (31 December 2024: Nil).
- The Group's share in the capital commitments of the joint venture is SR 10.67 million (31 December 2024: SR 16.31 million).

**16. SEGMENT REPORTING**

**Basis of segmentation**

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

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

For the three-month and nine-month periods ended 30 September 2025

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

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**16. SEGMENT REPORTING (continued)**

**Basis of segmentation (continued)**

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

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

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

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

**EMAAR THE ECONOMIC CITY**  
(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025

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

**16. SEGMENT REPORTING (continued)**

|                                                           | <u>Residential<br/>business</u> | <u>Industrial<br/>development</u> | <u>Hospitality<br/>and leisure</u> | <u>Education</u> | <u>City<br/>operations</u> | <u>Total<br/>segment</u> | <u>Adjustments<br/>and<br/>Eliminations</u> | <u>Consolidated</u> |
|-----------------------------------------------------------|---------------------------------|-----------------------------------|------------------------------------|------------------|----------------------------|--------------------------|---------------------------------------------|---------------------|
| <b><u>For the nine-months period ended:</u></b>           |                                 |                                   |                                    |                  |                            |                          |                                             |                     |
| <b>30 September 2025</b>                                  |                                 |                                   |                                    |                  |                            |                          |                                             |                     |
| <b>(Unaudited)</b>                                        |                                 |                                   |                                    |                  |                            |                          |                                             |                     |
| <b><u>Revenue</u></b>                                     |                                 |                                   |                                    |                  |                            |                          |                                             |                     |
| External customers                                        | 97,995                          | 261,349                           | 138,333                            | 60,661           | 35,706                     | 594,044                  | 86,554                                      | 680,598             |
| Inter-segment                                             | 3,879                           | --                                | 20,529                             | --               | 54,020                     | 78,428                   | (78,428)                                    | --                  |
|                                                           | <u>101,874</u>                  | <u>261,349</u>                    | <u>158,862</u>                     | <u>60,661</u>    | <u>89,726</u>              | <u>672,472</u>           | <u>8,126</u>                                | <u>680,598</u>      |
| <b><u>Results</u></b>                                     |                                 |                                   |                                    |                  |                            |                          |                                             |                     |
| Cost of inventories and services recognised as an expense | (54,210)                        | (20,788)                          | (55,298)                           | (27,596)         | (87,940)                   | (245,832)                | (2,075)                                     | (247,907)           |
| Impairment loss/ (reversal) on financial assets           | (10,538)                        | (14,676)                          | (4,385)                            | (1,870)          | --                         | (31,469)                 | --                                          | (31,469)            |
| Financial charges                                         | (111)                           | --                                | (1,030)                            | (659)            | --                         | (1,800)                  | (420,026)                                   | (421,826)           |
| Financial income                                          | --                              | --                                | --                                 | --               | --                         | --                       | 5,239                                       | 5,239               |
| Depreciation                                              | (27,052)                        | (19,688)                          | (45,710)                           | (10,672)         | (10,313)                   | (113,435)                | (86,419)                                    | (199,854)           |
| Amortisation                                              | (158)                           | --                                | --                                 | --               | --                         | (158)                    | (644)                                       | (802)               |
| Share of results of equity accounted investee             | --                              | --                                | --                                 | --               | --                         | --                       | (62,186)                                    | (62,186)            |
| Other expenses – net                                      | (15,464)                        | (217)                             | (10,581)                           | (37,701)         | (6,432)                    | (70,395)                 | 60,290                                      | (10,105)            |
| (Loss) / profit before zakat                              | (5,659)                         | 205,980                           | 41,858                             | (17,837)         | (14,959)                   | 209,383                  | (497,695)                                   | (288,312)           |
| Zakat                                                     | --                              | --                                | --                                 | --               | --                         | --                       | (13,500)                                    | (13,500)            |
| (Loss) / profit for the year                              | <u>(5,659)</u>                  | <u>205,980</u>                    | <u>41,858</u>                      | <u>(17,837)</u>  | <u>(14,959)</u>            | <u>209,383</u>           | <u>(511,195)</u>                            | <u>(301,812)</u>    |

**EMAAR THE ECONOMIC CITY**

(A Saudi Joint Stock Company)

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

For the three-month and nine-month periods ended 30 September 2025

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

**16. SEGMENT REPORTING (continued)****Condensed consolidated interim statement of profit or loss and other comprehensive income:**

|                                                           | <u>Residential<br/>business</u> | <u>Industrial<br/>development</u> | <u>Hospitality<br/>and leisure</u> | <u>Education</u> | <u>City<br/>Operations</u> | <u>Corporate</u> | <u>Adjustments<br/>&amp; eliminations</u> | <u>Total</u>       |
|-----------------------------------------------------------|---------------------------------|-----------------------------------|------------------------------------|------------------|----------------------------|------------------|-------------------------------------------|--------------------|
| <i><u>Nine-month period ended:</u></i>                    |                                 |                                   |                                    |                  |                            |                  |                                           |                    |
| 30 September 2024                                         |                                 |                                   |                                    |                  |                            |                  |                                           |                    |
| (Unaudited)                                               |                                 |                                   |                                    |                  |                            |                  |                                           |                    |
| <u>Revenue</u>                                            |                                 |                                   |                                    |                  |                            |                  |                                           |                    |
| External customers                                        | 84,269                          | 34,818                            | 52,198                             | 47,993           | 18,684                     | 3,201            | --                                        | 241,163            |
| Inter-segment                                             | 4,695                           | --                                | 23,018                             | --               | 50,370                     | --               | (78,083)                                  | --                 |
|                                                           | <u>88,964</u>                   | <u>34,818</u>                     | <u>75,216</u>                      | <u>47,993</u>    | <u>69,054</u>              | <u>3,201</u>     | <u>(78,083)</u>                           | <u>241,163</u>     |
| <u>Results</u>                                            |                                 |                                   |                                    |                  |                            |                  |                                           |                    |
| Cost of inventories and services recognised as an expense | (82,592)                        | (17,804)                          | (30,835)                           | (3,718)          | (93,132)                   | (10,382)         | 56,710                                    | (181,753)          |
| Impairment loss on financial assets                       | (31,976)                        | (17,870)                          | (3,467)                            | (64)             | (1,895)                    | --               | --                                        | (55,272)           |
| Financial charges                                         | (97)                            | --                                | (1,595)                            | (382)            | --                         | (480,155)        | --                                        | (482,229)          |
| Financial income                                          | --                              | --                                | --                                 | --               | --                         | 3,899            | --                                        | 3,899              |
| Depreciation                                              | (27,867)                        | (16,172)                          | (46,875)                           | (10,625)         | (1,483)                    | (84,435)         | --                                        | (187,457)          |
| Amortisation                                              | --                              | --                                | --                                 | (5)              | --                         | (1,135)          | --                                        | (1,140)            |
| Share of results of equity accounted investee             | --                              | --                                | --                                 | --               | --                         | (65,209)         | --                                        | (65,209)           |
| Other (expenses) / income                                 | (22,809)                        | 15,749                            | (41,957)                           | (63,754)         | (15,903)                   | (221,457)        | 21,373                                    | (328,758)          |
| Loss before Zakat                                         | (76,377)                        | (1,279)                           | (49,513)                           | (30,555)         | (43,359)                   | (855,673)        | --                                        | (1,056,756)        |
| Zakat                                                     | --                              | --                                | --                                 | --               | --                         | (96,032)         | --                                        | (96,032)           |
| Loss after Zakat                                          | <u>(76,377)</u>                 | <u>(1,279)</u>                    | <u>(49,513)</u>                    | <u>(30,555)</u>  | <u>(43,359)</u>            | <u>(951,705)</u> | <u>--</u>                                 | <u>(1,152,788)</u> |

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

For the three-months period ended 30 September 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

**17. LIQUIDITY RISK**

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

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

| <b>30 September 2025 (Unaudited)</b> | <b><u>Less than<br/>12 months</u><br/>(“000”)</b> | <b><u>More than<br/>12 months</u><br/>(“000”)</b> | <b><u>Total</u><br/>(“000”)</b> |
|--------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------|
| Loans                                | 4,624,283                                         | 5,907,970                                         | 10,532,253                      |
| Lease liabilities                    | 53,211                                            | 24,571                                            | 77,782                          |
| Trade and other payables             | 1,000,666                                         | --                                                | 1,000,666                       |
|                                      | <u>5,678,160</u>                                  | <u>5,932,541</u>                                  | <u>11,610,701</u>               |
| <b>31 December 2024 (Audited)</b>    | <b><u>Less than<br/>12 months</u><br/>(“000”)</b> | <b><u>More than<br/>12 months</u><br/>(“000”)</b> | <b><u>Total</u><br/>(“000”)</b> |
| Loans                                | 7,871,117                                         | --                                                | 7,871,117                       |
| Short-term borrowings                | 161,386                                           | --                                                | 161,386                         |
| Lease liabilities                    | 53,102                                            | 25,249                                            | 78,351                          |
| Trade and other payables             | 973,190                                           | --                                                | 973,190                         |
|                                      | <u>9,058,795</u>                                  | <u>25,249</u>                                     | <u>9,084,044</u>                |

**18. FAIR VALUE OF ASSETS AND LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

For the three-months period ended 30 September 2025

(All amounts in Saudi Riyals thousands unless otherwise stated)

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**18. FAIR VALUE OF ASSETS AND LIABILITIES (continued)**

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

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

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

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

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

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

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

**19. SUBSEQUENT EVENTS**

No matter has occurred up to and including the date of the approval of these condensed consolidated interim financial statements by the Board of Directors which could materially affect these condensed consolidated interim financial statements and the related disclosures for the three-month and nine-month periods ended 30 September 2025.

**20. DATE OF APPROVAL AND AUTHORISATION FOR ISSUE**

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 11 November 2025 corresponding to 20 Jumada Awal 1447 H.