

Arriyadh Development Company (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) For the three months periods ended 31 March 2026

Arriyadh Development Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months periods ended 31 March 2026 (unaudited)

And Independent Auditor's Review Report

<i>INDEX</i>	<i>PAGES</i>
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Financial Position	2
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	4
Interim Condensed Consolidated Statement of Cash Flows	5
Notes to the Interim Condensed Consolidated Financial Statements	6 – 24



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ٥,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Unified No. 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arriyadh Development Company - A Saudi Joint Stock Company - ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

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



Riyadh: 16 Thul-Qi'dah 1447H
(3 May 2026)

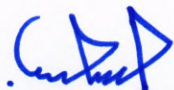
ARRIYADH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

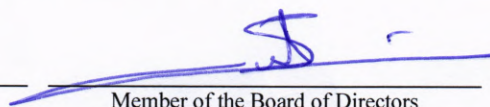
As at 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

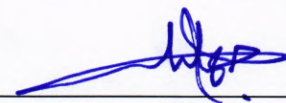
	<i>Notes</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		19,303,764	19,548,083
Investment properties	3	2,250,733,519	2,259,593,546
Investment properties under development	4	20,122,504	14,098,113
Right-of-use assets	5	8,370,515	8,611,973
Investment in associates and a joint venture	6	837,848,768	826,875,815
Investments designated at FVTPL	7	184,479,915	184,479,915
TOTAL NON-CURRENT ASSETS		3,320,858,985	3,313,207,445
CURRENT ASSETS			
Accounts receivable, prepayments and other receivables	8	45,260,317	61,432,641
Due from related parties	9	4,239,795	7,751,363
Murabaha investment deposits – short term	10	980,000,000	1,025,000,000
Cash and cash equivalents	20	178,070,056	31,491,631
		1,207,570,168	1,125,675,635
Assets held for sale	11	-	2,002,840
TOTAL CURRENT ASSETS		1,207,570,168	1,127,678,475
TOTAL ASSETS		4,528,429,153	4,440,885,920
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12	2,339,308,180	2,339,308,180
Additional share capital	12	842,295,615	842,295,615
Retained earnings		995,931,541	945,447,922
TOTAL SHAREHOLDERS' EQUITY		4,177,535,336	4,127,051,717
NON-CURRENT LIABILITIES			
Lease liabilities	5	42,852,194	42,114,635
End of service benefits provision		17,137,412	16,604,724
TOTAL NON-CURRENT LIABILITIES		59,989,606	58,719,359
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other payables	14	173,575,407	144,071,246
Due to related parties	9	119,347	-
Lease liabilities - current portion	5	7,414,940	7,563,951
Accrued dividends payable	15	77,545,571	77,755,572
Zakat provision	16	32,248,946	25,724,075
TOTAL CURRENT LIABILITIES		290,904,211	255,114,844
TOTAL LIABILITIES		350,893,817	313,834,203
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,528,429,153	4,440,885,920



Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib



Member of the Board of Directors
and Chairman of the Audit Committee
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani



Chief Executive Officer
Mr. Jihad bin Abdulrahman Al-Kadi

The attached notes form an integral part of these interim condensed consolidated financial statements

ARRIYADH DEVELOPMENT COMPANY

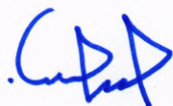
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

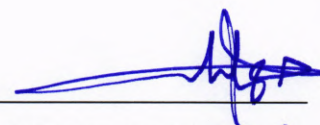
	Notes	For the three month periods ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	17	103,894,706	69,538,299
Costs of revenue		(27,334,789)	(26,910,737)
Gross profit		76,559,917	42,627,562
General and administrative expenses	18	(39,332,366)	(16,918,049)
Profit for the year from main operations		37,227,551	25,709,513
Finance costs - Lease liabilities	5	(737,560)	(730,468)
Murabaha Investment deposits' income		13,476,272	13,526,500
Group's share of profit of Investment in associates and a joint venture	6	6,827,565	7,462,299
Other income		214,662	181,023
Net profit for the period before Zakat		57,008,490	46,148,867
Zakat expense	16	(6,524,871)	(4,083,749)
NET PROFIT FOR THE PERIOD		50,483,619	42,065,118
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		50,483,619	42,065,118
EARNINGS PER SHARE			
Basic and diluted earnings per share from net profit for the period	19	0.22	0.20



Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib



Member of the Board of Directors
and Chairman of the Audit Committee
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani



Chief Executive Officer
Mr. Jihad bin Abdulrahman Al-Kadi

The attached notes form an integral part of these interim condensed consolidated financial statements

ARRIYADH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

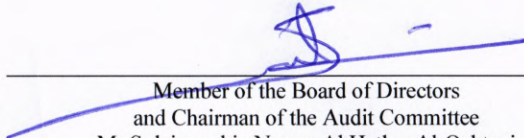
For the three months period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

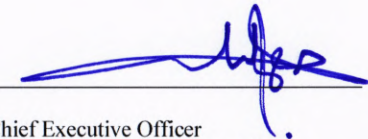
	<i>Share capital</i>	<i>Additional share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total shareholders' equity</i>
Balance as at 31 December 2024 (Audited)	1,777,777,770	-	184,701,083	581,365,746	2,543,844,599
Net profit for the period	-	-	-	42,065,118	42,065,118
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	42,065,118	42,065,118
Increase in share capital and additional share capital (Note 12)	561,530,410	842,295,615	-	-	1,403,826,025
Balance as at 31 March 2025 (Unaudited)	2,339,308,180	842,295,615	184,701,083	623,430,864	3,989,735,742
Balance as at 31 December 2025 (Audited)	2,339,308,180	842,295,615	-	945,447,922	4,127,051,717
Net profit for the Period	-	-	-	50,483,619	50,483,619
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	50,483,619	50,483,619
Balance as at 31 March 2026 (Unaudited)	2,339,308,180	842,295,615	-	995,931,541	4,177,535,336



Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib



Member of the Board of Directors
and Chairman of the Audit Committee
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani



Chief Executive Officer
Mr. Jehad bin Abdulrahman Al-Kadi

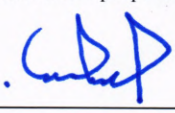
ARRIYADH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

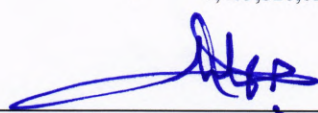
For the three months period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	For the three month periods ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
OPERATING ACTIVITIES:			
Net profit for the year		50,483,619	42,065,118
<i>Adjustments:</i>			
Depreciation		10,893,136	10,153,150
Finance costs - Lease liabilities	5	737,560	730,468
Murabaha Investment deposits' income		(13,476,272)	(13,526,500)
(Reversed) Provided for expected credit loss allowance		(188,803)	626,350
Group's share of profit of Investment in associates and a joint venture	6	(6,827,565)	(7,462,299)
Gain from sale of property, plant and equipment		(69,565)	-
Gain from sale of investment properties	3	(31,347,785)	-
Transferred from projects in progress to expense and other adjustment		68,488	-
Provision of end of service benefits		532,688	554,637
Provision of Zakat	16	6,524,871	4,083,749
		<u>17,330,372</u>	<u>37,224,673</u>
<i>Changes in working capital:</i>			
Accounts receivable, prepayments and other receivables		(9,587,538)	1,945,325
Accounts payable, accrued expenses and other payables		29,504,161	(3,569,039)
Net change in related parties' balances		4,799,244	44,955,942
End of service benefits Paid		-	(272,285)
Zakat Paid	16	-	(7,511,419)
Net cash flows from operating activities		<u>42,046,239</u>	<u>72,773,197</u>
INVESTING ACTIVITIES			
Change in Murabaha investment deposits, net		45,000,000	(50,000,000)
Murabaha Investment deposits' income		39,424,937	3,430,750
Purchase of property, plant and equipment		(679,832)	(1,482,049)
Proceeds from sale of property, plant and equipment		69,565	-
Proceeds from sale of investment properties		33,350,625	-
Additions to investment properties under development	4	(7,109,391)	(526,650)
Capital contribution in investment in associates and a joint venture	6	-	(25,000)
Additional contribution in investment in associates and a joint venture	6	(4,026,041)	(33,179,694)
Dividends received from associates		-	12,941,253
Net cash flows used in investing activities		<u>106,029,863</u>	<u>(68,841,390)</u>
FINANCING ACTIVITIES			
Dividend paid		(210,001)	(10,573)
Finance provided to related parties	9	(1,287,676)	-
Net cash flows used in financing activities		<u>(1,497,677)</u>	<u>(10,573)</u>
Net increase in cash and cash equivalents		146,578,425	3,921,234
Cash and cash equivalents at the beginning of the year	20	31,491,631	40,915,578
Cash and cash equivalents at the end of the year	20	<u>178,070,056</u>	<u>44,836,812</u>
NON-CASH TRANSACTIONS			
Reclassification from investment properties under development to property, plant and equipment		(935,000)	-
Loss in investment in associates and a joint venture		(119,347)	-
Reclassification of advance payments for subscription to a real estate Fund to investments designated at FVTPL		-	182,481,748
Purchase of investment properties against equity shares		-	1,403,826,025


Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib


Member of the Board of Directors
and Chairman of the Audit Committee
Mr. Suleiman bin Nasser Al Hatlan Al-Qahtani


Chief Executive Officer
Mr. Jehad bin Abdulrahman Al-Kadi

The attached notes form an integral part of these interim condensed consolidated financial statements.

Arriyadh Development Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (All Amounts in Saudi Riyals unless otherwise stated)

1 CORPORATE INFORMATION

Arriyadh Development Company (A Saudi Joint Stock Company) (hereinafter referred to as the “Company” or “Group”) was established by Royal Decree No. M/2 dated 9 Safar 1414H (corresponding to 28 July 1993). The Company is registered in the Kingdom of Saudi Arabia under the Unified National No. 7001367601 and under CR No. 1010124500, issued in the city of Riyadh on 29 Thul-Qi’dah 1414H (corresponding to 10 May 1994). The Company is listed on the Saudi Stock Exchange (Tadawul). The Company’s Head Office is located in Riyadh, Kingdom of Saudi Arabia and the Address is 6631 King Fahad Branch, Al Dirah District, Riyadh 12634-2411, Saudi Arabia.

The principal activities of the Company are the purchase and sale of lands and real estate, its division, off-plan sales activities, management and leasing of owned or leased out residential and non-residential properties, in addition to real estate development of residential and commercial buildings using modern construction methods, as well as the wholesale and retail sale of new and used private cars, including ambulances, minibuses and four-wheel drive vehicles.

On 3 February 2025, the Company's General Assembly approved amending the Company's By-laws to comply with the new Companies’ Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022). The legal procedures for amending the By-laws were completed and published on the Tadawul platform.

The accompanying interim condensed consolidated financial statements comprise the financial statements of the Company and its following subsidiaries:

<i>Company Name</i>	<i>Country of Establishment</i>	<i>% of Ownership</i>	
		<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Alrmal logistics park Company (a)	Saudi Arabia	100%	100%
Hulul Salasil Imdad Almontajat Altazija Company (b)	Saudi Arabia	100%	100%

a) Alrmal logistics park Company

On 22 September 2025, Al-Rimal Logistics Park Company was established as a limited liability company (one-person company) wholly owned by Arriyadh Development Company with a cash capital of SAR 10,000 divided into (10,000) shares, and approximately 98 thousand square meters of technical services land were transferred to Al-Rimal Logistics Park Company.

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it’s fully owned by Arriyadh Development Company.

b) Hulul Salasil Imdad Almontajat Altazija Company

Hulul Salasil Imdad Almontajat Altazija was incorporated on 5 October 2025 as a closed joint stock company wholly owned by Arriyadh Development Company, with a cash capital of SAR 500,000 divided into (500,000) equal shares. .

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

On 24 December 2025, an agreement was signed to transfer the assets of Al Aziziyah Central Fruit and Vegetable Market from Arriyadh Development Company to Hulul Salasil Imdad Almontajat Altazija, with the agreement becoming effective from 1 January 2026, on which date the assets were transferred.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it’s fully owned by Arriyadh Development Company.

2 MATERIAL ACCOUNTING POLICIES

2-1 Basis of Preparing Financial Statements

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

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

The interim financial results for the period may not be an accurate indication of the financial results for the full year.

2-2 New standards, interpretations and amendments adopted by the Group

The following are standards and amendments that became effective on or after 1 January 2026 (unless otherwise stated) and did not have a material impact on the Group Consolidated statements. The Group has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)

(All Amounts in Saudi Riyals unless otherwise stated)

3 INVESTMENT PROPERTIES

	<i>Lands</i>	<i>Lands on which buildings are constructed</i>	<i>Land Right-of- use</i>	<i>Buildings</i>	<i>Total</i>
<i>Cost:</i>					
At 31 Dec 2025 (Audited)	1,536,346,115	193,816,554	66,986,604	835,469,100	2,632,618,373
31 March 2026 (Unaudited)	<u>1,536,346,115</u>	<u>193,816,554</u>	<u>66,986,604</u>	<u>835,469,100</u>	<u>2,632,618,373</u>
<i>Depreciation:</i>					
At 31 December 2025 (Audited)	-	-	30,347,522	342,677,305	373,024,827
Charge for the period	-	-	7,749,751	1,110,276	8,860,027
31 March 2026 (Unaudited)	<u>-</u>	<u>-</u>	<u>38,097,273</u>	<u>343,787,581</u>	<u>381,884,854</u>
<i>Net book value:</i>					
31 March 2026 (Unaudited)	<u>1,536,346,115</u>	<u>193,816,554</u>	<u>28,889,331</u>	<u>491,681,519</u>	<u>2,250,733,519</u>
31 December 2025 (Audited)	<u>1,536,346,115</u>	<u>193,816,554</u>	<u>36,639,082</u>	<u>492,791,795</u>	<u>2,259,593,546</u>

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

3 INVESTMENT PROPERTIES (Continued)

As set out in the material accounting policy information, investment properties are presented at cost less accumulated depreciation and impairment, if any. The fair value of the investment properties amounted to SAR 4,136,125,000 as at 31 December 2025 (includes the newly acquired assets (Note 12)) (31 December 2024: SAR 2,522,854,054), based on the valuations performed by a real estate valuer, Esnad and its Partner for Real Estate Appraisal, with license no. 1210000934 (independent valuer accredited by the Saudi Authority for Accredited Valuers).

The fair value measurement in its entirety is classified into level 2 and 3 based on the valuation techniques used in estimating the fair value and related inputs. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

For raw land, the fair value was determined based on the market approach using market evidence of comparable or similar assets. In certain cases, the residual method was used to estimate the land value based on significant market inputs.

For buildings and lands on which buildings are constructed, the fair value was determined based on the income approach or the cost approach, depending on the nature of the asset and the availability of data. Under the income approach, the value is estimated based on market rents for comparable properties, with reference to market averages in estimating operating expenses and the valuer's experience. Under the cost approach, the value is estimated based on appropriate market information relating to assets comparable or similar to the asset being valued.

For right-of-use assets, the fair value was determined as an integral part of the valuation of the related investment property constructed on the right-of-use asset, using appropriate valuation techniques and relevant inputs. The discounted cash flow method was applied as part of this overall valuation approach.

Investment properties include buildings constructed on land leased from the Riyadh Municipality (Otiqa Market) under a 23-year lease starting from 30 March 2011, which will be transferred to the Municipality at the end of the lease. The net book value of the buildings at 31 March 2026 was SAR 138.1 million (31 December 2025: SAR 142.5 million).

The investment properties include lands totaling an amount of SAR 28,872,546 not yet registered in the name of the Company as it was expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al Awal 1412H. However, the previous owners of the lands have not submitted their claims and have not transferred the land ownership to the Company until 31 March 2026 (Note 14).

All investment properties are located in the Kingdom of Saudi Arabia.

4 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Balance at the beginning of the period / year	14,098,113	1,501,380
Additions	7,109,391	24,158,737
Reclassification to Property, plant and equipment - Projects in progress	(150,000)	(973,380)
Transferred to investment properties	(935,000)	(10,588,624)
Balance at the end of the period / year	20,122,504	14,098,113

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts and movements of right-of-use assets during the period / year (other than those included in investment properties) are as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Balance at the beginning of the period / year	8,611,973	9,700,753
Adjustment	-	(122,951)
Depreciation for the period / year	(241,458)	(965,829)
	8,370,515	8,611,973

The carrying amounts and movement of lease liabilities during the period / year are as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Balance at the beginning of the period / year	49,678,586	54,184,707
Adjustment	(149,012)	483,740
Paid during the period / year	-	(8,022,410)
Finance costs - lease liabilities	737,560	3,032,549
Balance at the end of the period / year	50,267,134	49,678,586

Lease liabilities are classified as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Non-current lease liabilities	42,852,194	42,114,635
Current lease liabilities	7,414,940	7,563,951
Total lease liabilities	50,267,134	49,678,586

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

The summarized details of investments in associates and a joint venture are as follows:

<i>Company's name</i>	<i>Nature of Relationship</i>	<i>% of Ownership</i>		<i>Balance</i>	
		<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Dira Development Company for Real Estate Development and Investment (a)	Associate company	46.34%	46.34%	710,217,467	705,367,129
Altital Litatwir Almarafiq Altaelimiah Company (Formerly: Abraj Al-Tilal Real Estate Development Company) (b)	Associate company	50%	50%	127,631,301	121,508,686
Abraj Al-Ghadir Real Estate Development company (c)	Joint venture	50%	50%	-	-
<i>Balance at the end of the period / year</i>				<u>837,848,768</u>	<u>826,875,815</u>

a) Dira Development Company for Real Estate Development and Investment:

In 2024, the Company reached an agreement with Riyadh Holding Company to establish a joint venture (Dira Development Company for Real Estate Development and Investment) ("Dira") – a simplified/closed joint-stock company with a cash capital of SAR 1,000,000, with 46.34% ownership for Arriyadh Development Company and 53.66% ownership for Riyadh Holding Company. Additionally, in-kind contributions were made by Arriyadh Development Company in Ta'meer market properties, with total value at SAR 705,209,071, while Riyadh Holding Company contributed in Al-Muqayyah Market and Dira Markets, with total value at SAR 816,605,929 in exchange of new shares issuance through a capital increase for each partner in accordance with their respective share in Dira Development Company for Real Estate Development and Investment. This was done in accordance with the asset transfer agreement signed on 1 December 2024.

b) Altital Litatwir Almarafiq Altaelimiah Company (Formerly: Abraj Al-Tilal Real Estate Development Company):

In 2024, the Group reached an agreement with Riyadh Holding Company and the Saudi Real Estate Company to incorporate Altital Litatwir Almarafiq Altaelimiah Company ("Al-Tilal") (A Limited Liability Company) with a capital of SAR 100,000, where Arriyadh Development Company's shareholding was by 50%, Riyadh Holding Company's shareholding by 25%, and the Saudi Real Estate Company's shareholding by 25%. This shareholding structure is in line with their respective shares in the shared property, which includes Educational Plot No. 751 of Scheme No. 3175 (with an area of 10,875.24 m²) and Educational Plot No. 752 of Scheme No. 3175 (with an area of 10,296.33 m²) located in Al-Malqa district in Riyadh. The construction of the educational complexes (a boys' complex and a girls' complex) has begun, and a lease agreement has been signed for these complexes with the Mohammed bin Salman Foundation (Misk Foundation) for a period of 25 years, starting from the academic year 2025/2026, as per the agreement signed with Misk Foundation by Arriyadh Development Company.

During 2025, the partners of Altital Litatwir Almarafiq Altaelimiah Company decided to consider all amounts injected by the partners to finance schools and educational complexes as additional contribution, each according to their share of the capital. The share of Arriyadh Development Company in the additional capital as at 31 March 2025, is SAR 127.6 million (31 December 2025: SAR121.5 million).

During 2026, the Company changed its legal name from Abraj Al-Tilal Real Estate Development Company to Altital Litatwir Almarafiq Altaelimiah Company pursuant to the approval of the relevant regulatory authorities. The amended Commercial Registration (CR) reflecting the new company name was issued on 9 March 2026, and the Articles of Association (AOA) were updated and notarized on 9 March 2026. Aside from the change in the registered name, there were no changes to the Company's legal structure, ownership, activities, or CR number. The name change has no impact on the Company's financial position, performance, cash flows, or going-concern assessment.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (Continued)

The summarized details of investments in associates and a joint venture are as follows: (Continued)

c) Abraj Al-Ghadir Real Estate Development Company

During 2024, the Group agreed with FTG Development Limited Company to establish Abraj Al-Ghadir Real Estate Development Company (a limited liability company) with a capital of SAR 50,000, 50% owned by Arriyadh Development Company and 50% owned by FTG Development Limited Company. The purpose is to cooperate and work together to develop, implement, and manage joint ventures between the parties

The movement of Investment in associates and a joint venture is as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
At the beginning of the period / year	826,875,815	756,399,865
Share of profits	6,946,912	51,515,398
Investments made during the period / year	4,026,041	49,303,449
Carrying value of disposed investment in Tanal	-	(89,778)
Elimination of unrealized gains	-	(3,409,866)
Dividend received	-	(26,843,253)
<i>At the end of the period / year</i>	<u>837,848,768</u>	<u>826,875,815</u>

The following is the Statement of Financial Position of the associates and joint venture:

As at 31 March 2026 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Altilal Litatwir Almarafiq Altaelimiah Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Current assets	90,445,376	48,870,477	-	139,315,853
Non-current assets	1,537,554,930	219,402,429	8,710,878	1,765,668,237
Current liabilities	(53,940,196)	(6,190,573)	(9,186,379)	(69,317,148)
Non-current liabilities	(9,405,965)	-	-	(9,405,965)
Equity	<u>1,564,654,145</u>	<u>262,082,333</u>	<u>(475,501)</u>	<u>1,826,260,977</u>
Group's share in equity %	46.34%	50%	50%	-
Group's share in equity	725,060,731	131,041,167	-	856,101,898
Elimination of unrealized gains	(14,843,264)	(3,409,866)	-	(18,253,130)
The carrying amount of the Investment	<u>710,217,467</u>	<u>127,631,301</u>	-	<u>837,848,768</u>

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

6 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (Continued)

The following is the Statement of Financial Position of the associates and joint venture: (Continued)

As at 31 December 2025 (Audited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Altilal Litatwir Almarafiq Altaelimiah Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Current assets	75,127,765	33,477,355	205,300	108,810,420
Non-current assets	1,529,549,585	226,242,345	5,930,149	1,761,722,079
Current liabilities	(41,098,432)	(9,882,597)	(6,372,257)	(57,353,286)
Non-current liabilities	(9,391,621)	-	-	(9,391,621)
Equity	1,554,187,297	249,837,103	(236,808)	1,803,787,592
Group's share in equity %	46.34%	50%	50%	-
Group's share in equity	720,210,393	124,918,552	-	845,128,945
Elimination of unrealized gains	(14,843,264)	(3,409,866)	-	(18,253,130)
The carrying amount of the Investment	705,367,129	121,508,686	-	826,875,815

The following is the statement of profit or loss and other comprehensive income of the associates and joint venture:

As at 31 March 2026 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Altilal Litatwir Almarafiq Altaelimiah Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Revenue	34,612,536	4,505,004	-	39,117,540
Net profit \ (loss)	10,466,850	4,193,147	(238,694)	14,421,303
Group's % share in net profit \ (loss)	46.34%	50%	50%	-
Group's share in net profit	4,850,338	2,096,574	(119,347)	6,827,565

As at 31 March 2025 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Altilal Litatwir Almarafiq Altaelimiah Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Revenue	32,703,166	-	-	32,703,166
Net profit	16,103,364	-	-	16,103,364
Group's % share in net profit	46.34%	50%	50%	-
Group's share in net profit	7,462,299	-	-	7,462,299

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

7 INVESTMENT DESIGNATED AT FVTPL

The Group decided to participate in the "Riyadh Real Estate Development ANB Capital Fund" (the "Fund"), which is a private closed real estate investment Fund compliant with Islamic Sharia principles. The Fund was incorporated in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulation and applicable laws, and its management is entrusted to ANB Capital. The objectives of the Fund are to invest in three raw plots of lands located in Al-Rimal and Al-Qadisiyah districts in Riyadh. This will be done through the development of infrastructure for these lands, subdividing them into residential and commercial plots, and then selling them as developed land. The Fund's term is four years, with extension possibility for two additional periods, each lasting one calendar year.

The Group entered into an agreement on 10 October 2024 to manage the development of the Fund's infrastructure. This agreement was terminated on 9 February 2026, and the Group continues to own its share in the Fund.

During December 2024, the Group paid its share in the Fund, amounting to 8.7%, through a cash contribution of SAR 182,481,748. On 9 January 2025, the Fund's operations commenced after the specified offering amount both (in-kind and cash) was completed.

During 2025, the Group classified this investment as a financial instrument at FVTPL upon initial recognition, in accordance with IFRS (9), as management believed that this classification better reflects the investment strategy and leads to the provision of more relevant information to users.

The movement in investments at fair value through profit or loss is as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
At the beginning of the period / year	184,479,915	-
Transferred from advance payments for subscription to a real estate Fund	-	182,481,748
Unrealized gains from investment revaluation	-	1,998,167
At the end of the period / year	184,479,915	184,479,915

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

8 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Accounts receivable	71,348,129	67,344,014
Less: Provision for expected credit loss*	(43,208,171)	(47,390,710)
Net accounts receivable	28,139,958	19,953,304
Accrued revenue on Murabaha investment deposits	12,437,434	38,386,099
Prepaid expenses	2,555,679	1,147,874
Employees' advances	1,129,069	927,691
Advances to suppliers and contractors	662,981	682,480
Others	335,196	335,193
	45,260,317	61,432,641

* The movement of the provision for expected credit loss during the period / year was as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Balance at the beginning of the period / year	47,390,710	52,197,860
Reversed for expected credit loss provision (note 18)	(188,803)	(2,841,694)
Debt write off during the period / year	(3,993,736)	(1,965,456)
Balance at the end of the period / year	43,208,171	47,390,710

The following is an analysis of the aging of receivables and the provision for expected credit losses as at:

	<i>Total</i>	<i>1- 90 Days</i>	<i>91- 180 Days</i>	<i>181- 270 Days</i>	<i>271- 365 Days</i>	<i>More than one year</i>
Accounts Receivable:						
31 March 2026	71,348,129	25,327,747	4,563,670	1,617,680	810,550	39,028,482
31 December 2025	67,344,014	17,552,510	3,559,589	1,037,039	1,385,912	43,808,964
Provision for expected credit losses						
31 March 2026	43,208,171	1,018,368	1,369,101	1,051,492	740,728	39,028,482
31 December 2025	47,390,710	727,990	1,046,427	540,801	1,266,528	43,808,964

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

9 RELATED PARTIES TRANSACTIONS AND BALANCES

Related party transactions and balances include transactions with associates, joint venture, members of the Board of Directors (and its sub-committees), and the Group's senior management personnel. Senior management employees are those who have authority and responsibility in planning, directing, and controlling the activities of the Group, either directly or indirectly, including the directors in accordance with the terms and conditions approved by the Board.

9.1 RELATED PARTY TRANSACTIONS:

During the normal course of its business, the Company had the following significant transactions with major related parties during the year ended 31 March 2026 and 2025, as follows:

<i>Description</i>	<i>Nature of Relationship</i>	<i>Nature of transaction</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 March 2025 (Unaudited)</i>
Altital Litatwir Almarafiq Altaelimiah Company	Associate company	Additional capital contribution	4,026,042	30,429,127
Altital Litatwir Almarafiq Altaelimiah Company	Associate company	Settlement of amounts due from the associate company	773,203	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Finance provided to joint venture	1,287,676	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Provision for support obligation to a joint venture	(119,347)	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Expenses paid on behalf	-	467,854
Dira Development Company for Real Estate Development and Investment	Associate company	Settlement of balances collected from associate customers	(303,662)	(8,323,719)
Dira Development Company for Real Estate Development and Investment	Associate company	Collection on behalf	303,662	-
Tanal Investment and Real Estate Development Company	Associate company	Dividends	-	12,941,253
Board of directors (Note 18)	Board of directors' members	Allowances and compensation	834,000	788,000
Senior management personnel	Key Management Personnel	Short-term benefits	5,695,237	4,891,384
Senior management personnel	Key Management Personnel	End of service benefit	140,832	129,488

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

9 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

9.2 RELATED PARTIES' BALANCES

Due from related parties:

	<i>Nature of Relationship</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	Associate company	4,239,795	4,799,245
	Joint venture	-	2,952,118
		4,239,795	7,751,363

Due to related parties:

	<i>Nature of Relationship</i>	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
	Associate company	119,347	-
		119,347	-

10 MURABAHA INVESTMENT DEPOSITS

As of 31 March 2026, total Murabaha investment deposits amounted to SAR 980 million (31 December 2025: SAR 1.025 billion) with maturities ranging from three months to nine months, which were placed with a number of local financial institutions. The Murabaha agreements' rates ranged from 4.4% to 5.9% during the period (31 December 2025: ranged from 5% to 6.1%).

Investment Murabaha deposits are classified as follows:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Murabaha investment deposits- Short-term	980,000,000	1,025,000,000
	980,000,000	1,025,000,000

11 ASSETS HELD FOR SALE

The following is the assets held as of 31 March:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Telal Arriyadh lands (a)	-	2,002,840
	-	2,002,840

- a) a) On 26 October 2023, the Board of Directors of the Group resolved to sell the Group's interest in Telal Arriyadh lands with a total area of 4,331 square meters, and the sale of the land was completed during 2026.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

12 SHARE CAPITAL AND ADDITIONAL SHARE CAPITAL

As at 31 December 2024, the authorized, issued and fully paid share capital amounted to SAR 1,777,777,770, divided into 177,777,777 shares, each valued at SAR 10. On 3 February 2025, the Group's Extraordinary General Assembly approved increasing the Company's capital to SAR 2,339,308,180 through the issuance of 56,153,041 new ordinary shares, with a total nominal value of SAR 561,530,410, and additional capital amounting to SAR 842,295,615. This was in exchange for the acquisition of two real estate assets owned by Remat Al-Riyadh Development Company for a total value of SAR 1,403,826,025, bringing the total number of new shares to (233,930,818 shares), with a nominal value of SAR 10 each. During February 2025, ownership of the purchased properties was transferred to the Company, and shares were issued to Remat Al-Riyadh Development Company.

13 STATUTORY RESERVE

On 3 February 2025, the Company's General Assembly approved an amendment to the Company's by-laws to align with the new Companies' Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022), which no longer requires the formation of a statutory reserve. The Board of Directors also recommended on 25 February 2025, transferring the balance of the statutory reserve amounting to SAR 184,701,083 as shown in the consolidated financial statements for the year ended 31 December 2024 to retained earnings. On 8 May 2025, the General Assembly approved transferring the balance of the statutory reserve as at 31 December 2024 to retained earnings.

14 ACCOUNT PAYABLE, ACCRUED EXPENSES AND OTHER PAYABLES

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Advance revenue	50,341,621	37,408,982
Payable from expropriated real estate (a)	28,872,546	28,872,546
Insurance for others	18,177,368	18,166,518
White Land Fees (b)	16,785,113	-
Accrued expenses	14,572,478	10,395,881
Provisions (c)	14,142,172	14,142,172
VAT	9,951,598	472,510
Employees' accrued wages and other benefits	9,438,017	23,019,920
Securing reservation of rental units	3,698,373	3,378,587
Board of Directors members allowances and compensation	2,729,000	3,453,000
Accruals for Car Auction	2,060,765	2,181,601
Others	2,806,356	2,579,529
	173,575,407	144,071,246

- a) The amount represents the payable amounts to the previous owners of the properties that were expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al-Awal 1412 H who have not yet claimed their dues until 31 March 2026.
- b) The amount represents the provision made against the White Land Fees invoice issued on 1 January 2026.
- c) The amount of the provisions represents commitments for construction works for the implementation of a canal for draining flood and rain in Al-Shorouk lands in Al-Remal district, according to the request of the regulatory authorities in the region.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

15 ACCRUED DIVIDENDS PAYABLE

The balance represents dividends approved by the Company's ordinary general assembly in prior years, that remained unclaimed by shareholders as at 31 March 2026 amounting to SAR 77,545,571 (31 December 2025: SAR 77,755,572).

16 ZAKAT PROVISION

Assessment status

The group has submitted Zakat declarations and received the final Zakat assessment until 2024.

Movement in Zakat provision

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Balance at the beginning of the period / year	25,724,075	36,633,631
Addition	6,524,871	24,534,395
Paid	-	(35,443,951)
Balance at the end of the period / year	<u>32,248,946</u>	<u>25,724,075</u>

17 REVENUE

	<i>For the periods ended 31 March</i>	
	<i>2026 (Unaudited)</i>	<i>2025 (Unaudited)</i>
Rental revenue	40,422,870	41,405,916
Land Sales	33,350,625	-
Operating revenue	<u>30,121,211</u>	<u>28,132,383</u>
	<u>103,894,706</u>	<u>69,538,299</u>

Timing of revenue recognition:

	<i>For the periods ended 31 March</i>	
	<i>2026 (Unaudited)</i>	<i>2025 (Unaudited)</i>
Recognized over time	40,422,870	41,404,449
Recognized at point in time	<u>63,471,836</u>	<u>28,133,850</u>
	<u>103,894,706</u>	<u>69,538,299</u>

All of the Group's revenues were generated within the Kingdom of Saudi Arabia.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

18 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the periods ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
White Land Tax	16,785,113	-
Employees' salaries, wages and other benefits	16,005,560	11,111,908
Professional and consultation fees	2,377,675	2,592,392
Maintenance and operation	1,254,007	309,926
Depreciation expenses	973,771	758,358
Board of Directors members allowances and compensation (Note 9)	834,000	788,000
(Reversal) / provided for expected credit losses (Note 8)	(188,803)	626,350
Others	1,291,043	731,115
	39,332,366	16,918,049

19 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of shares outstanding during the period. Since there is no obligation to convert equity instruments, diluted earnings per share is the same as basic earnings per share.

The basic and diluted earnings per share calculation for the period is as follows:

	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit for the period	50,483,619	42,065,118
Weighted average number of ordinary shares held for calculating basic and diluted earnings per share	228,500,634	206,478,220
Basic and diluted earnings per share in net profit for the period	0.22	0.20

20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

	<i>31 March</i>	<i>31 December</i>
	<i>2026</i>	<i>2025</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Cash at banks	68,070,056	31,491,631
Murabaha investment deposits less than three months	110,000,000	-
	178,070,056	31,491,631

Credit risk on cash at banks is limited, as the cash is held with banks with good credit ratings.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

21 SEGMENT INFORMATION

The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers for the purpose of resource allocation among segments and performance assessment. The assets, liabilities and operating activities of the segments include items that are directly related to a specific segment and items that can be allocated to the different segments on a reasonable basis. Items that cannot be allocated between the segments are classified under common assets and liabilities; The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the consolidated Financial Statements.

The following summary of segmental financial information according to the nature of the activity:

	<i>Commercial centers segment</i>	<i>Public benefit segment</i>	<i>Lands sales, contributions and property development fees segment</i>	<i>Common assets and liabilities segment</i>	<i>Total</i>
31 March 2026 (Unaudited):					
Total assets	436,033,012	251,092,187	1,506,464,966	2,334,838,988	4,528,429,153
Total liabilities	94,158,650	51,065,011	14,142,172	191,527,984	350,893,817
31 December 2025 (Audited):					
Total assets	668,531,321	100,597,401	1,506,464,966	2,165,292,232	4,440,885,920
Total liabilities	87,842,825	25,507,029	14,142,172	186,342,177	313,834,203
31 March 2026 (Unaudited):					
Revenue	27,863,380	42,680,701	33,350,625	-	103,894,706
Costs of revenue	(18,228,589)	(5,857,889)	(3,248,311)	-	(27,334,789)
General and administrative expenses	-	-	(16,679,187)	(22,653,179)	(39,332,366)
Finance costs – Lease liabilities	(599,214)	-	-	(138,346)	(737,560)
Murabaha Investment deposits' income	-	-	-	13,476,272	13,476,272
Group's share of profit of Investment in an associates and a joint venture	-	-	-	6,827,565	6,827,565
Other income	-	-	-	214,662	214,662
Net profit for the period before Zakat	9,035,577	36,822,812	13,423,127	(2,273,026)	57,008,490
Zakat	-	-	-	(6,524,872)	(6,524,872)
Net profit for the period	9,035,577	36,822,812	13,423,127	(8,797,898)	50,483,618
31 March 2025 (Unaudited):					
Revenue	31,408,145	38,130,154	-	-	69,538,299
Costs of revenue	(18,407,459)	(7,502,894)	(1,000,384)	-	(26,910,737)
General and administrative expenses	-	-	-	(16,918,049)	(16,918,049)
Finance costs – Lease liabilities	(586,870)	-	-	(143,598)	(730,468)
Murabaha Investment deposits' income	-	-	-	13,526,500	13,526,500
Group's share of profit of Investment in an associates and a joint venture	-	-	-	7,462,299	7,462,299
Other income	-	-	-	181,023	181,023
Net profit for the period before Zakat	12,413,816	30,627,260	(1,000,384)	4,108,175	46,148,867
Zakat	-	-	-	(4,083,749)	(4,083,749)
Net profit for the period	12,413,816	30,627,260	(1,000,384)	24,426	42,065,118

The commercial centers segment represents the public transportation center, Ta'meer International Car Auction, Otiqa market, Riyadh market, the office tower, and the leased land of Al-Aziziyah. The public benefit segment represents the wholesale vegetables and fruits market. The Lands sales, contributions and property development segment represent the sale of developed plots and the real estate development fees. The common assets and liabilities segments represent all items that do not fall under any of the specific segments.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

22 FAIR VALUE MEASUREMENT

The fair value of Investments designated at FVTPL is obtained through net asset value reports received from fund managers, who use various techniques to evaluate the underlying financial instruments classified under Level 3 of the fair value hierarchy of the funds. The group has investments in the "Riyadh Real Estate Development ANB Capital Fund" with a book value of 184,479,915 Saudi Riyals. Significant unobservable inputs are an integral part of the models used by the fund manager. The valuation approach used is the income approach, and the key unobservable inputs include an inflation rate of 2.7% and a discount rate of 13% As at 31 December 2025.

Below is a reconciliation of the balances of Investments designated at FVTPL that fall within Level 3 of the fair value hierarchy as of:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
At the beginning of the year	184,479,915	-
Transferred from advance payments for subscription to a real estate Fund	-	182,481,748
Unrealized gains from Investments designated at FVTPL	-	1,998,167
<i>At the end of the period / year</i>	<u>184,479,915</u>	<u>184,479,915</u>

23 RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial liabilities consist of lease liabilities, trade payables, accruals, amounts due to related parties, accrued dividends payable and other liabilities. The Group's principal financial assets include trade and other receivables, cash and cash equivalents, amounts due from related parties, Investments designated at FVTPL and Murabaha investment deposits arising directly from its operations.

The Group may be exposed to the following risks arising from financial instruments:

- Market risk
- Commission rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

The Group's overall risk management program focuses on liquidity management in addition to monitoring various market related changes, thus constantly seeks to reduce potential negative impacts on the Group's financial performance. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

Market risk

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates, profit rates and stock prices on the Group's revenue or the value of its financial instruments. Market risk management aims at managing and controlling risk exposure within acceptable limits while achieving best returns.

Commission rate risk

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. The Management believes that the financial instruments on the consolidated statement of financial position are not subject to commission rate risk.

Foreign currency risk

The Group is not exposed to significant foreign exchange risk and therefore there is no need for effective management of this risk.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

23 RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

Credit risk

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

To reduce exposure to credit risk, the Group has approval procedures through which credit limits are applied to its customers. The management also constantly monitors exposure to credit risks related to customers and sets aside a provision for expected credit losses, based on the customer's status and payment history. Outstanding customer receivables are also monitored on a regular basis.

Credit risk also arises from cash at banks and Murabaha investment deposits. For banks and Murabaha investment deposits, only those with sound credit ratings are accepted.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<i>31 March 2026 (Unaudited)</i>	<i>31 December 2025 (Audited)</i>
Murabaha investment deposits *	980,000,000	1,025,000,000
Cash at banks	178,070,056	31,491,631
Accounts receivables, net	28,139,958	19,953,304
Due from related parties	4,239,795	7,751,363
	<u>1,190,449,809</u>	<u>1,084,196,298</u>

*As at 31 March 2026, the Group has Murabaha investment deposits amounting to SAR 980 million (31 December 2025: SAR 1.025 billion) with several local financial institutions, representing approximately 22% of the Group's assets as at 31 March 2025 (31 December 2025: 23%).

Cash at banks, Murabaha investment deposits, and accounts receivable are accounted for at amortized cost.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to realize financial assets quickly at an amount close to its fair value.

Liquidity risk is managed through monitoring such risks on a regular basis to assure sufficient funds are available to meet the Group's future obligations.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED) (Continued)
(All Amounts in Saudi Riyals unless otherwise stated)

24 DIVIDENDS

On 25 Rabi' al-Awwal 1447H (corresponding to 17 September 2025), Board of Directors' decided to distribute dividends for the first half of 2025 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 10 Thul-Qi'dah 1446H (corresponding to 8 May 2025), the Company's general assembly approved the Board of Directors' decision to distribute dividends for the second half of 2024 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 3 Rabi' al-Awwal 1446H (corresponding to 1 September 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the first half of 2024 at 25 halalas per share, totaling SAR 44,444,444.

On 14 Shawwal 1445H (corresponding to 23 April 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the second half of 2023 at 50 halalas per share, totaling SAR 88,888,888.

25 COMMITMENTS AND CONTINGENCIES

The Group has contingent liabilities from time to time relating to certain disputed matters, including claims from and against contractors, litigation and arbitration proceedings involving a variety of cases. These contingencies arise in the ordinary course of business. No significant additional liabilities are expected to be incurred from these potential claims.

There is an ongoing legal case against the Group filed by one of the tenants for an amount of SAR 74 million. Based on the legal counsel's assessment and in line with the Group's accounting policy, management does not expect an outflow of significant economic benefits.

26 SUBSEQUENT EVENTS

On 22 April 2026, the Group entered into an agreement to sell its entire units in Al Arabi Arriyadh Development Real Estate Fund to Sumou Holding Company for a total consideration of SAR 184,479,915. Under this agreement, the transaction value will be settled in three scheduled instalments over a period not exceeding 18 months from the date of signing the agreement.

Except for the subsequent events disclosed above, there were no other significant subsequent events after 31 March 2026 and up to the date of approval of the condensed consolidated interim financial statements by the Board of Directors that may have a material effect on the condensed consolidated interim financial statements as at 31 March 2026.

27 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 13 Thul-Qi'dah 1447H (corresponding to 30 April 2026).