

Arriyadh Development Company (A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS For the three and six months periods ended 30 June 2025 and Independent Auditor's Review Report (unaudited)



Arriyadh Development Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the three and six months periods ended 30 June 2025

And Independent Auditor's Review Report (unaudited)

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Arriyadh Development Company – A Saudi Joint Stock Company – (“the Company”) as at 30 June 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed statements of Changes in Shareholders' Equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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 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 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: 2 Safar 1447H
(27 July 2025)




Arriyadh Development Company
(Saudi Joint Stock Company)


INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION


As at 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		20,351,847	18,695,462
Investment properties	3	2,203,684,137	813,676,420
Investment properties under development		-	1,501,380
Right-of-use assets	4	47,588,717	50,323,255
Investments designated at FVTPL	5	197,324,805	-
Advance payment for subscription to a real estate Fund	5	-	182,481,748
Equity accounted investees	6	805,784,324	756,399,865
Murabaha investment deposits – long-term	9	-	630,000,000
TOTAL NON-CURRENT ASSETS		3,274,733,830	2,453,078,130
CURRENT ASSETS			
Accounts receivable, prepayments and other receivables	7	43,177,577	46,760,117
Due from related parties	8	3,372,099	46,299,775
Murabaha investment deposits – short-term	9	930,000,000	300,000,000
Cash at banks		31,605,884	40,915,578
		1,008,155,560	433,975,470
Assets held for sale	10	22,475,649	22,475,649
TOTAL CURRENT ASSETS		1,030,631,209	456,451,119
TOTAL ASSETS		4,305,365,039	2,909,529,249
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	11	2,339,308,180	1,777,777,770
Additional share capital	11	842,295,615	-
Statutory reserve	12	-	184,701,083
Retained earnings		815,281,693	581,365,746
TOTAL SHAREHOLDERS' EQUITY		3,996,885,488	2,543,844,599
NON-CURRENT LIABILITIES			
Lease liabilities	4	47,103,488	46,390,001
Employees' defined benefit obligations		14,574,097	13,754,456
TOTAL NON-CURRENT LIABILITIES		61,677,585	60,144,457
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other payables	14	150,047,807	172,189,001
Due to related parties	8	-	12,535,173
Lease liabilities - current portion	4	8,560,668	7,794,706
Accrued dividends payable	13	77,046,873	76,387,682
Zakat provision	15	11,146,618	36,633,631
TOTAL CURRENT LIABILITIES		246,801,966	305,540,193
TOTAL LIABILITIES		308,479,551	365,684,650
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,305,365,039	2,909,529,249


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

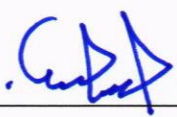
The attached notes form an integral part of these interim condensed financial statements.


Arriyadh Development Company
(Saudi Joint Stock Company)

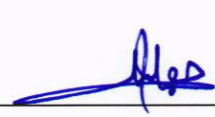
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three and six months periods ended 30 June 2025
(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Notes	For the three month period ended 30 June		For the six month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	16	72,893,147	77,038,701	142,431,446	155,469,578
Cost of revenue		(21,092,799)	(28,144,302)	(48,003,536)	(55,483,849)
Gross profit		51,800,348	48,894,399	94,427,910	99,985,729
General and administrative expenses	17	(16,851,896)	(15,156,442)	(33,769,945)	(32,062,931)
Profit for the period from main operations		34,948,452	33,737,957	60,657,965	67,922,798
Finance costs	4	(748,981)	(654,871)	(1,479,449)	(1,301,058)
Murabaha investment deposits' income		14,066,056	14,157,592	27,592,556	28,502,474
Company's share of profit of equity accounted investees	6	7,649,742	24,167,946	15,112,041	61,035,792
Unrealized gains from investments designated at FVTPL	5	14,843,057	-	14,843,057	-
Other income		122,456	27,106,252	303,479	27,494,541
Net profit for the period before zakat		70,880,782	98,514,876	117,029,649	183,654,547
Zakat	15	(5,248,331)	(6,599,639)	(9,332,080)	(21,251,859)
Net profit for the period		65,632,451	91,915,237	107,697,569	162,402,688
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to the statement of profit or loss</i>					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		65,632,451	91,915,237	107,697,569	162,402,688
Earnings per share					
Basic and diluted earnings per share from profit for the period from main operations	18	0.16	0.19	0.28	0.38
Basic and diluted earnings per share from net profit for the period	18	0.30	0.52	0.49	0.91


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

Arriyadh Development Company
(Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

	Share capital	Additional share capital	Statutory reserve	Retained earnings	Revaluation reserve of investments designated at FVOCI	Total shareholders' equity
Balance as at 31 December 2023 (Audited)	1,777,777,770	-	155,081,438	450,786,058	(2,813,070)	2,380,832,196
Net profit for the period	-	-	-	162,402,688	-	162,402,688
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	162,402,688	-	162,402,688
Dividends	-	-	-	(88,888,889)	-	(88,888,889)
Balance as at 30 June 2024 (Unaudited)	1,777,777,770	-	155,081,438	524,299,857	(2,813,070)	2,454,345,995
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	-	-	-	107,697,569	-	107,697,569
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	107,697,569	-	107,697,569
Transferred from stator reserve	-	-	(184,701,083)	184,701,083	-	-
Increase in share capital and additional share capital (Note 11)	561,530,410	842,295,615	-	-	-	1,403,826,025
Dividends	-	-	-	(58,482,705)	-	(58,482,705)
Balance as at 30 June 2025 (Unaudited)	2,339,308,180	842,295,615	-	815,281,693	-	3,996,885,488



Chief Financial Officer
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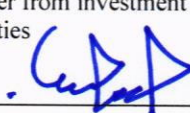
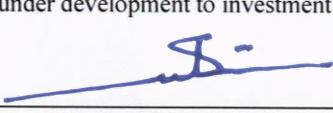
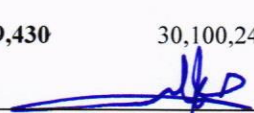
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Arriyadh Development Company
(Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
OPERATING ACTIVITIES		
Net profit for the period	107,697,569	162,402,688
<i>Adjustments:</i>		
Depreciation of property, plant and equipment, investments properties and right of use assets	20,462,962	21,995,277
Finance costs	1,479,449	1,301,058
Settled of a provision for prior years for Al-Shorouk land contribution	-	(26,771,963)
Unrealized gains from investments designated at FVTPL	(14,843,057)	-
Murabaha investment deposits' income	(27,592,556)	(28,502,474)
Provided for expected credit loss allowance	626,355	1,006,939
Company's share of profit of equity accounted investees	(15,112,041)	(61,035,792)
Gain on disposal of property, plant and equipment	(5,718)	-
Provided for zakat provision	9,332,080	21,251,859
Provided for employees' defined benefit obligations	1,262,865	973,573
	83,307,908	92,621,165
<i>Changes in working capital:</i>		
Accounts receivable, prepayments and other receivables	19,845,102	(37,280,143)
Accounts payable, accrued expenses and other payables	(22,141,194)	(75,984,879)
Net change in related parties' balances	30,392,503	-
Employees' defined benefit obligations paid	(443,224)	(285,848)
Paid from Zakat provision	(34,819,093)	(20,392,176)
Net cash flows generated from / (used in) operating activities	76,142,002	(41,321,881)
INVESTING ACTIVITIES		
Additions to Murabaha investment deposits	10,703,639	218,502,474
Additions to investment properties under development	(431,432)	(28,169,410)
Purchase of property, plant and equipment	(3,644,493)	(2,534,793)
Sold of property, plant and equipment	16,522	-
Purchase of shares in equity accounted investees	(25,000)	-
Carrying value disposed received of equity accounted investees	89,778	-
Additional contribution in equity accounted investees	(47,278,449)	-
Dividends received from equity accounted investees	12,941,253	174,837,600
Net cash flows (used in) / generated from investing activities	(27,628,182)	362,635,871
FINANCING ACTIVITIES		
Dividends	(57,823,514)	(87,380,265)
Net cash flows used in financing activities	(57,823,514)	(87,380,265)
Change in cash and cash equivalents	(9,309,694)	233,933,725
Cash and cash equivalents at the beginning of the period (note 19)	40,915,578	44,981,796
Cash and cash equivalents at the end of the period (note 19)	31,605,884	278,915,521
NON-CASH TRANSACTIONS		
Purchase of investment properties against equity shares	1,403,826,025	-
Reclassification of advance payments for subscription to a real estate Fund to investments designated at FVTPL	182,481,748	-
Transfer from properties under development to property, plant and equipment	5,741,308	2,495,079
Reclassification from investment properties under development to property, plant and equipment	973,380	-
Transfer from investment properties under development to investment properties	959,430	30,100,241
		
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 financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended 30 June 2025

(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”) 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, King Fahad Road, Aldera District, P.O. Box 94542, Riyadh 11614, Kingdom of 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.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparing Financial Statements

These interim condensed financial statements for the Company 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 financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2024.

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 Company

The following are standards and amendments that became effective on or after 1 January 2025 (unless otherwise stated) and did not have a material impact on the Company's financial statements. The Company has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective.

Amendment to IAS 21: Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates," to specify how an entity should assess whether a currency can be exchanged and how it should determine the spot exchange rate when it cannot. The amendments also require disclosure of information that enables users of its financial statements to understand how the non-convertibility of a currency into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies used in preparing these interim condensed financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended 31 December 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

During the period, the Company applied for the first time the policy of classifying its investment in a real estate Fund as a financial asset at fair value through profit or loss ("FVTPL") (Note 5) in accordance with International Financial Reporting Standard (9) as a financial instrument.

Financial instruments

Classification

- Financial Asset at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Company reclassifies financial assets only when its business model for managing those financial assets changes.

Initial Measurement

Except for trade receivables, at initial recognition, an entity shall measure a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay them in full without delay to another party under a "pass-through arrangement" and if:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

3. INVESTMENT PROPERTIES

	<i>Lands</i>	<i>Lands on which buildings are constructed</i>	<i>Buildings</i>	<i>Total</i>
Cost:				
As at 31 December 2024 (Audited)	112,964,524	189,456,830	823,384,593	1,125,805,947
Additions (note 11)	1,403,826,025	-	-	1,403,826,025
Transferred from investment properties under development	-	-	959,430	959,430
As at 30 June 2025 (Unaudited)	1,516,790,549	189,456,830	824,344,023	2,530,591,402
Depreciation:				
At 31 December 2024 (Audited)	-	-	312,129,527	312,129,527
Depreciation for the period	-	-	14,777,738	14,777,738
At 30 June 2025 (Unaudited)	-	-	326,907,265	326,907,265
Net book value:				
At 30 June 2025 (Unaudited)	1,516,790,549	189,456,830	497,436,758	2,203,684,137
At 31 December 2024 (Audited)	112,964,524	189,456,830	511,255,066	813,676,420

Investment properties are stated at cost less accumulated depreciation.

As at 31 December 2024, the fair value of investment properties amounted to SR 2,522,854,054, based on a valuation performed by real estate appraisers, namely Esnad and its Partner for Real Estate Appraisal, a Saudi closed joint-stock professional company, holding license number 1210000934 (an independent appraiser accredited by the Saudi Authority for Accredited Valuers), The fair value of investment properties does not include additions made during the period.

Investment properties include buildings constructed on land leased from the Riyadh Municipality (Otaika Market) under a 23-year lease contract starting from 30 March 2011, which will be transferred to the Municipality at the end of the lease. Their net book value as at 30 June 2025, was SR 152.6 million (31 December 2024: SR 160 million).

The investment properties include lands totaling an amount of SR 28,872,546 not yet registered in the name of the Company as it was expropriated in favor of the Company 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 30 June 2025 (Note 14).

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

4. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The carrying amount of recognized right-of-use assets and changes during the year are as follows:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
At the beginning of the period / year	50,323,255	45,113,224
Additions during the period / year	-	9,783,538
Charge for the period / year	(2,734,538)	(4,573,507)
At the end of the period / year	47,588,717	50,323,255

Below is a statement of the lease liabilities:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Non-current lease liabilities	47,103,488	46,390,001
Current lease liabilities	8,560,668	7,794,706
Total lease liabilities	55,664,156	54,184,707

The finance costs from the recognized lease liabilities during the period ended 30 June 2025 amounted to SR 1,479,449 (30 June 2024: SR1,301,058).

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

5. INVESTMENT DESIGNATED AT FVTPL

The Company 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 Company entered into an agreement on 10 October 2024 to develop the infrastructure for the Fund's purposes. The Fund's term is four years, with extension possibility for two additional periods, each lasting one calendar year.

During December 2024, the Company paid its share in the Fund, amounting to 8.7%, through a cash contribution of SR 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 the first quarter of 2025, the Company 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>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
At the beginning of the period/year	-	-
Transferred from advance payments for subscription to a real estate Fund	182,481,748	-
Unrealized gains from investment revaluation	14,843,057	-
At the end of the period/year	197,324,805	-

6. EQUITY ACCOUNTED INVESTESS

The summarized details of equity accounted investees are as follows:

<i>Company's name</i>	<i>Nature of Relationship</i>	<i>% of Ownership</i>		<i>Balance</i>	
		<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Dira Development Company for Real Estate Development and Investment (a)	Associate company	46,34%	46,34%	707,746,163	692,634,122
Abraj Al-Tilal Real Estate Development Company (b)	Associate company	50%	50%	98,013,161	50,734,712
Abraj Al-Ghadir Real Estate Development company (c)	Joint venture	50%	-	25,000	-
Tanal Investment and Real Estate Development Company (d)	Associate company	0%	69,38%	-	13,031,031
Balance at the end of the year				805,784,324	756,399,865

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 SR 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 SR 705,209,071, while Riyadh Holding Company contributed in Al-Muqayliyah Market and Dira Markets, with total value at SR 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, and during the period the necessary legal procedures for issuing the new shares are completed.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

6. EQUITY ACCOUNTED INVESTESSES (continued)

The summarized details of equity accounted investees are as follows: (continued)

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

The financial statements of Dira Development Company for Real Estate Development and Investment have not been consolidated due to the lack of control by the Company. Currently, the Company does not have majority voting rights on operational and administrative decisions. According to the agreement between the parties, the management of the Company is managed by a Board of Directors consisting of three members, where Riyadh Holding Company appoints two members, and Arriyadh Development Company appoints the third member. All administrative and operational decisions are made in accordance with the legal quorum. As a result, Arriyadh Development Company is considered to have significant influence over Dira Development Company for Real Estate Development and Investment, and the investment is accounted for using the equity method.

The financial statements for this associate are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountant (SOCPA). The accounting policies used in preparing the financial statements of the associate are consistent with those used by Arriyadh Development Company.

The registered office of Dira Development Company for Real Estate Development and Investment is located in Riyadh. The company's activities include general construction of residential buildings, general construction of non-residential buildings, renovation of both residential and non-residential buildings, purchase and sale of land and real estate, land subdivision, off-plan sales activities, management and leasing of owned or leased residential properties, management and leasing of owned or leased non-residential properties, real estate development of residential buildings using modern construction methods, real estate development of commercial buildings using modern construction methods, real estate brokerage, property management, building maintenance services, and management of maintenance and operations in buildings and their associated facilities.

b) Abraj Al-Tilal Real Estate Development Company:

In 2024, the Company reached an agreement with Riyadh Holding Company and the Saudi Real Estate Company to incorporate Abraj Al-Tilal Real Estate Development Company ("Abraj Al-Tilal") (A Limited Liability Company) with a capital of SR 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 Abraj Al-Tilal Real Estate Development 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 30 June 2025, is SR 97.9 (31 December 2024: SR 51.8).

The financial statements of Abraj Al-Tilal Real Estate Development Company have not been consolidated due to the lack of control by the Company. The Company does not have majority voting rights on operational and administrative decisions. According to the Company's articles of association, the management of Abraj Al-Tilal Real Estate Development Company is managed by a Board of Directors consisting of four members representing the partners, with Arriyadh Development Company appointing two directors, one of whom is either a member of Misk Foundation or an independent member; Riyadh Holding Company appointing one director; and the Saudi Real Estate Company appointing one director. For the Board of Directors meeting to be valid, three members must be present, including the Chairman of the Board, with at least one member from the Saudi Real Estate Company and one member from Riyadh Holding Company. Decisions of the Board of Directors are issued with the approval of the majority of the board members present, either in person or by proxy. The articles of association can only be amended with the approval of 75% of the partners. As a result, Arriyadh Development Company is considered to have significant influence over Abraj Al-Tilal Real Estate Development Company, and the investment is accounted for using the equity method.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

6. EQUITY ACCOUNTED INVESTESSES (continued)

The summarized details of equity accounted investees are as follows: (continued)

b) Abraj Al-Tilal Real Estate Development Company: (continued)

The financial statements for this associate are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, as well as other standards and pronouncements as endorsed by the Saudi Organization for Chartered and Professional Accountant (SOCPA). The accounting policies used in preparing the financial statements of the associate are consistent with those used by Arriyadh Development Company.

The registered office of Abraj Al-Tilal Real Estate Development Company is located in Riyadh. The Company's activities include the construction of buildings, various types of retail sales in non-specialized stores, real estate activities on owned or leased properties, as well as administrative services and support services.

c) Abraj Al-Ghadir Real Estate Development Company

By the end of 2024, the Company agreed with FTG Development Limited Company to establish Abraj Al-Ghadir Real Estate Development Company (a limited liability company) with a capital of SR 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 financial statements of Abraj Al-Ghadir Real Estate Development Company have not been consolidated due to the lack of control by the Company. Currently, the Company does not have majority voting rights on operational and administrative decisions. The agreement between the two parties stipulates that the Company shall be managed by a board of directors consisting of four members, with Arriyadh Development Company appointing two members and FTG Development Limited Company appointing two members. The chairman of the board shall be a representative of Arriyadh Development Company. However, the agreement and articles of association stipulate that all substantive administrative and operational decisions shall be made with the approval of partners who own at least 51% of the Company's shares. Since each party owns 50% of the shares, neither party has sole control. Therefore, the financial statements of Abraj Al-Ghadir Real Estate Development Company have not been consolidated within the Company's financial statements, and the investment is accounted for using the equity method.

The financial statements of this joint venture are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The accounting policies used in preparing the joint venture's financial statements are consistent with the financial statements of Arriyadh Development Company.

The head office of Abraj Al-Ghadir Real Estate Development Company is located in Riyadh. The Company's activities include 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.

d) Tanal Investment and Real Estate Development Company:

During 2019, the Company, agreed with Sumou Holding Company, to incorporate Tanal Real Estate Investment and Development Company ("Tanal") (a Limited Liability Company) with a capital of SR 100,000 with shareholding 69.38% for Arriyadh Development Company and 30.62% for Sumou Holding Company - which is the same proportions of ownership of companies in the First Riyadh Al-Tameer Real Estate Fund - for the purpose of transferring the assets and liabilities of the First Riyadh Al-Tameer Real Estate Fund, which was closed and its assets were transferred in 2019 to Tanal and its subsidiary (Ruba Real Estate Building Company), which is 100% owned.

During 2025, the Company's Board of Directors decided to exit Tanal as a result of the sale of all the planned lands by the end of the year 2024. An assignment agreement was signed to transfer the company's share to Sumou Holding Company on 30 Shawwal 1446H (corresponding to 28 April 2025). According to the agreement, the Company will obtain its share in the capital of Tanal amounting to SR 69,380, in addition to its share in the statutory reserve amounting to SR 20,814, according to the financial statements of Tanal for the year ended 31 December 2024. Subsequently, on 11 May 2025, the Company received its share in the capital and statutory reserve in Tanal.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

6. EQUITY ACCOUNTED INVESTESSES (continued)

The following is the movement of equity accounted investees:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	756,399,865	237,264,477
Share of profits	15,112,041	125,859,069
Investments made during the period / year	47,303,449	741,563,919
Carrying value of Tanal investment disposed received	(89,778)	-
Dividend received	(12,941,253)	(348,287,600)
At the end of the period / year	805,784,324	756,399,865

Below is the Statement of Financial Position of the equity accounted investees:

As at 30 June 2025 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Current assets	97,367,225	12,454,933	-	50,000	109,872,158
Non-current assets	1,514,093,785	196,976,858	-	608,673	1,711,679,316
Current liabilities	(42,911,879)	(13,405,469)	-	(608,673)	(56,926,021)
Non-current liabilities	(9,227,969)	-	-	-	(9,227,969)
Equity	1,559,321,162	196,026,322	-	50,000	1,755,397,484
Company's share in equity %	46,34%	50%	-	50%	-
Company's share in equity	722,589,427	98,013,161	-	25,000	820,627,588
Elimination of unrealized gains	(14,843,264)	-	-	-	(14,843,264)
The carrying amount of the investment	707,746,163	98,013,161	-	25,000	805,784,324

As at 31 December 2024 (Audited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Current assets	49,211,612	44,941,229	20,868,597	-	115,021,438
Non-current assets	1,520,219,233	107,039,425	-	-	1,627,258,658
Current liabilities	(33,720,679)	(50,511,229)	(2,086,483)	-	(86,318,391)
Non-current liabilities	(9,000,226)	-	-	-	(9,000,226)
Equity	1,526,709,940	101,469,425	18,782,114	-	1,646,961,479
Company's share in equity %	46.34%	50%	69.38%	-	-
Company's share in equity	707,477,386	50,734,712	13,031,031	-	771,243,129
Elimination of unrealized gains	(14,843,264)	-	-	-	(14,843,264)
The carrying amount of the Investment	692,634,122	50,734,712	13,031,031	-	756,399,865

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

6. EQUITY ACCOUNTED INVESTESSES (continued)

The following is the statement of profit or loss and other comprehensive income of the equity accounted investees:

As at 30 June 2025 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Abraj Al- Ghadir Real Estate Development Company</i>	<i>Total</i>
Revenue	65,034,585	-	-	-	65,034,585
Net profit	32,611,223	-	-	-	32,611,223
Company's % share in net profit	46,34%	50%	-	50%	-
Company's share in net profit	15,112,041	-	-	-	15,112,041

As at 30 June 2024 (Unaudited)

	<i>Dira Development Company for Real Estate Development and Investment</i>	<i>Abraj Al-Tilal Real Estate Development Company</i>	<i>Tanal Investment and Real Estate Development Company</i>	<i>Abraj Al-Ghadir Real Estate Development Company</i>	<i>Total</i>
Revenue	-	-	214,345,645	-	214,345,645
Net profit	-	-	87,973,180	-	87,973,180
Company's % share in net profit	-	-	69,38%	-	69,38%
Company's share in net profit	-	-	61,035,792	-	61,035,792

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

7 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Accounts receivable	68,130,289	88,114,015
Less: Provision for expected credit losses *	(50,858,759)	(52,197,860)
Net accounts receivable	17,271,530	35,916,155
Accrued revenue on Murabaha investment deposits	19,038,167	2,149,250
Prepaid expenses	3,511,784	2,605,214
Employees' advances	1,872,289	1,519,631
Advances to suppliers and contractors	1,146,624	802,594
Others	337,183	3,767,273
	43,177,577	46,760,117

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

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Balance at the beginning of the period / year	52,197,860	48,376,304
Provided during the period / year (Note 17)	626,355	7,908,539
Debt written off during the period / year	(1,965,456)	(4,086,983)
Balance as at the end of the period / year	50,858,759	52,197,860

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						
30 June 2025	68,130,289	7,183,616	7,656,758	3,445,033	3,260,589	46,584,293
31 December 2024	88,114,015	22,718,689	10,540,524	4,749,801	5,089,061	45,015,940
Provision for expected credit losses						
30 June 2025	50,858,759	360,101	769,471	608,894	2,536,000	46,584,293
31 December 2024	52,197,860	1,196,431	1,679,945	1,106,903	3,198,641	45,015,940

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

8. RELATED PARTIES' TRANSACTIONS AND BALANCES

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

During the normal course of its business, the Company had the following significant transactions with major related parties during the period ended 30 June 2025 and 2024, as follows:

<i>Description</i>	<i>Nature of Relationship</i>	<i>Nature of transaction</i>	<i>30 June 2025 (Unaudited)</i>	<i>30 June 2024 (Unaudited)</i>
Abraj Al-Tilal Real Estate Development Company	Associate company	Additional capital contribution	47,278,449	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Collections	46,299,775	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Expenses paid on behalf	4,211,454	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Finance	2,799,245	-
Dira Development Company for Real Estate Development and Investment	Associate company	Transfer the due balances to the associate	8,323,719	-
Dira Development Company for Real Estate Development and Investment	Associate company	Settlement of balances collected from customers	3,368,141	-
Tanal Investment and Real Estate Development Company	Associate company	Dividends	12,941,253	174,837,600
Tanal Investment and Real Estate Development Company	Associate company	Carrying value of Tanal investment disposed received	89,778	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Expenses paid on behalf	572,854	-
Board of Directors and committee member (Note 17)	Board of Directors committee member	Bonuses and allowances	1,559,000	1,623,000
Senior management personnel	Key Management Personnel	Salaries, allowances, and incentives	11,305,943	8,498,221

8.1 RELATED PARTIES' BALANCES

Due from related parties:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Abraj Al-Ghadir Real Estate Development Company	572,854	-
Abraj Al-Tilal Real Estate Development Company	2,799,245	46,299,775
	<u>3,372,099</u>	<u>46,299,775</u>

Due to related parties:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Abraj Al-Tilal Real Estate Development Company	-	4,211,454
Dira Development Company for Real Estate Development and Investment	-	8,323,719
	<u>-</u>	<u>12,535,173</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

8. RELATED PARTIES' TRANSACTIONS AND BALANCES (continued)

8.2 LEASE LIABILITIES WITH RELATED PARTIES

In December 2024, the Company entered into a lease agreement for the office building of the General Administration from Dira Development Company for Real Estate Development and Investment ("Dira"). The lease term is 10 years, starting from 1 December 2024, with a total value of SR 13,060,605.

The following are the lease liabilities - related parties as at:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Non-current lease liabilities	7,691,831	8,010,968
Current lease liabilities	2,379,737	1,775,722
	10,071,568	9,786,690

9. MURABAHA INVESTMENT DEPOSITS

As at 30 June 2025, total investment Murabaha deposit contracts amounted to SR 930 million (31 December 2024: SR 930 million), which were placed with many of the local financial institutions. The Murabaha agreements' rates ranged from 5.5% to 5.9%% during the period (2024: from 5.6% to 6.3%).

10. ASSETS HELD FOR SALE

On 26 October 2023, the Board of Directors of the Company adopted a resolution in which a decision was taken to sell its share in Telal Arriyadh plots land with total area of 4,861 m². The sale of Telal Arriyadh plots is expected to be completed in 2025, following the completion of all legal procedures.

On 24 October 2024, the Board of Directors adopted a resolution to approve an in-kind contribution of 98,000 m² of land from the Technical Services land for a special purpose company in partnership with Afaq Modern Holding Company ("Agility"). The purpose of this partnership is to develop a logistics project. The transfer of the land's ownership and the completion of the incorporation procedures of the special purpose company are expected to be finalized within a year from the date of issuance of the 2024 financial statements. Therefore, the aforementioned land was reclassified under assets held for sale.

During the period, the company signed a contract to sell "Telal Arriyadh lands", where payment terms were agreed upon. On 2 June 2025, the company received the first payment representing 10% of the value of the land. The company is scheduled to receive the remaining 90% of the value of the land before land transfer on 29 September 2025.

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Technical services land	20,227,954	20,227,954
Telal Arriyadh lands	2,247,695	2,247,695
	22,475,649	22,475,649

11. SHARE CAPITAL AND ADDITIONAL SHARE CAPITAL

As at 31 December 2024, the fully paid share capital amounted to SR 1,777,777,770, divided into 177,777,777 shares, each valued at SR 10. On 3 February 2025, the Company's Extraordinary General Assembly approved increasing the Company's capital to SR 2,339,308,180 through the issuance of 56,153,041 new ordinary shares, with a total nominal value of SR 561,530,410, and additional capital amounting to SR 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 SR 1,403,826,025, bringing the total number of new shares to (233,930,818 shares), with a nominal value of SR 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

12. 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, as the paragraph regarding setting aside a percentage of the Company's net profits to form a statutory reserve for the company has been deleted. The Board of Directors also recommended on 25 February 2025, transferring the balance of the statutory reserve amounting to SR 184,701,083 as shown in the 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. As at 30 June 2025 the statutory reserve has been transferred fully to retained earnings.

13. DIVIDENDS

The balance shown in the financial statements represents the remaining of the amounts approved by the Company's Ordinary General Assembly for previous years, and the shareholders have not yet come to receive it as at 30 June 2025, at the amount of SR 77,046,873 (31 December 2024: SR 76,387,682).

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 SR 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 SR 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 SR 88,888,888.

14. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER PAYABLES

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Advance revenue	32,613,464	42,020,112
Amounts due to expropriated real estate (A)	28,872,546	28,872,546
Insurance for others	16,409,271	15,569,046
Provisions (B)	14,142,172	14,142,172
Accrued wages and employees' benefits	13,635,598	25,139,357
Accruals for Car Auction's customers	12,029,274	9,941,741
Provision for cases	10,021,387	9,912,134
Accrued expenses	9,247,650	17,337,165
Securing reservation of rental units	8,009,048	2,073,827
Bonuses and allowances for board and committee members	1,734,000	3,366,000
Others	3,333,397	3,814,901
	150,047,807	172,189,001

- a) The amount represents the payable amounts to the owners of the properties that were expropriated under Royal Decree No. 4 / B / 2732 dated 8 Rabi' al-Awwal 1412H. The owners have not claimed their dues until 30 June 2025 (Note 3).
- b) 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

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(All Amounts in Saudi Riyals Unless Otherwise Stated)

15. ZAKAT PROVISION

The movement in the Zakat provision was as follows:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Balance at the beginning of the period/year	36,633,631	26,880,429
Provided during the period/year	9,332,080	29,122,212
Additional provision	-	1,081,222
Balance with the Zakat, Tax, and Customs Authority from the liquidation procedures of the Saudi Hospitality Heritage Company ("Nuzul")	-	(58,056)
Paid during the period/year	(34,819,093)	(20,392,176)
Balance at the end of the period/year	11,146,618	36,633,631

The Company has submitted its zakat returns and obtained the final zakat assessments for all previous years up to 2023. During the month of April 2025, the company submitted its zakat return for the year 2024 and paid the zakat due.

16. REVENUE

	<i>For the period ended 30 June 2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>
Rental income	95,456,852	110,711,146
Operating income	44,454,594	44,758,432
Revenue from real estate development	2,520,000	-
	142,431,446	155,469,578

17. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>For the period ended 30 June 2025 (Unaudited)</i>	<i>2024 (Unaudited)</i>
Employee salaries, wages, and other benefits	22,344,128	19,474,295
Professional and consultation fees	5,177,986	4,159,778
Board of directors' allowances and compensation (Note 8)	1,559,000	1,623,000
Maintenance and operation	710,259	717,336
Expense of expected credit losses (Note 7)	626,355	1,006,939
Compensation expense based on a court ruling	-	3,955,450
Others	3,352,217	1,126,133
	33,769,945	32,062,931

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

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(All Amounts in Saudi Riyals Unless Otherwise Stated)

18. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit from the main business and 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>30 June 2025 (Unaudited)</i>	<i>30 June 2024 (Unaudited)</i>
Profit for the period from main operations	60,657,965	67,922,798
Net profit for the period	107,697,569	162,402,688
Weighted average number of ordinary shares held for calculating basic and diluted earnings per share	220,280,355	177,777,777
Basic and diluted earnings per share in profit for the period from main operations	0.28	0.38
Basic and diluted earnings per share in net profit for the period	0.49	0.91

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows include:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Cash at banks	31,605,884	40,915,578
	31,605,884	40,915,578

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

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(All Amounts in Saudi Riyals Unless Otherwise Stated)

20. SEGMENT INFORMATION

The segment information is attributable to the Company's activities and business on the bases of which the Company's management used to prepare its financial information in line with financial reporting process.

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 Interim Condensed Financial Statements.

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

	<i>Commercial centers segment</i>	<i>Public benefit segment</i>	<i>Lands, contributions segment</i>	<i>Common assets and liabilities segment</i>	<i>Total</i>
30 June 2025 (Unaudited):					
Total assets	667,790,859	103,036,727	1,516,790,548	2,017,746,905	4,305,365,039
Total liabilities	104,133,584	19,993,840	14,142,172	170,209,955	308,479,551
31 December 2024 (Audited):					
Total assets	682,121,169	113,727,438	112,964,523	2,000,716,119	2,909,529,249
Total liabilities	102,908,888	28,422,438	14,142,172	220,211,152	365,684,650
30 June 2025 (Unaudited):					
Revenue	64,235,274	78,196,172	-	-	142,431,446
Costs of revenue	(39,393,576)	(8,609,960)	-	-	(48,003,536)
General and administrative expenses	-	-	-	(33,769,945)	(33,769,945)
Finance costs on lease liabilities	(1,194,571)	-	-	(284,878)	(1,479,449)
Investment Murabaha deposits	-	-	-	-	-
Income	-	-	-	27,592,556	27,592,556
Company's share in profits from associates and joint venture	-	-	-	15,112,041	15,112,041
Other income	-	-	-	15,146,536	15,146,536
Net profit for the period before zakat	23,647,127	69,586,212	-	23,796,310	117,029,649
Zakat	-	-	-	(9,332,080)	(9,332,080)
Net profit for the period	23,647,127	69,586,212	-	14,464,230	107,697,569
30 June 2024 (Unaudited):					
Revenue	80,069,352	75,400,226	-	-	155,469,578
Costs of revenue	(42,000,247)	(13,483,602)	-	-	(55,483,849)
General and administrative expenses	-	-	-	(32,062,931)	(32,062,931)
Finance costs on lease liabilities	(1,301,058)	-	-	-	(1,301,058)
Investment Murabaha deposits	-	-	-	28,502,474	28,502,474
Income	-	-	-	-	-
Company's share in profits from associates	-	-	-	61,035,792	61,035,792
Other income	-	-	-	27,494,541	27,494,541
Net profit for the period before zakat	36,768,047	61,916,624	-	84,969,876	183,654,547
Zakat	-	-	-	(21,251,859)	(21,251,859)
Net profit for the period	36,768,047	61,916,624	-	63,718,017	162,402,688

The commercial centers segment represents the public transportation market, Ta'meer International Car Auction, Atiqa market, Riyadh market, the office tower, and the leased land of Al-Aziziyah. The public benefit segment represents the wholesale center for vegetables and fruits. The lands, contributions segment represent the Company's projects represented by the sale of developed lands and real estate development. The common assets and liabilities segments represent all items that do not fall under any of the specific segments.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

21. 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 company has investments in the "Riyadh Real Estate Development ANB Capital Fund" with a book value of 197,324,805 Saudi Riyals. Significant unobservable inputs are an integral part of the models used by the fund manager.

And 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>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
At the beginning of the period/year	-	-
Transferred from advance payments for subscription to a real estate Fund	182,481,748	-
Unrealized gains from Investments designated at FVTPL	14,843,057	-
At the end of the period/year	197,324,805	-

The following table shows the fair value measurement hierarchy of the Company's financial assets and financial liabilities as at:

30 June 2025 (Unaudited)

	<i>Book value</i>	<i>First level</i>	<i>Second level</i>	<i>Third level</i>	<i>fair value</i>
Investments designated at FVTPL	197,324,805	-	-	197,324,805	197,324,805
	197,324,805	-	-	197,324,805	197,324,805

31 December 2024 (Audited)

	<i>Book value</i>	<i>First level</i>	<i>Second level</i>	<i>Third level</i>	<i>fair value</i>
Investments designated at FVTPL	-	-	-	-	-
	-	-	-	-	-

The management concluded that the fair value of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their book value due to the short maturity of these instruments.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities consist of lease liabilities, trade payables, accruals, amounts due from related parties, and other liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, and amounts due from related parties arising directly from its operations.

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

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

The Company'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 Company'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 Company'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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

22. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 statement of financial position are not subject to commission rate risk.

Foreign currency risk

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

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 Company's future obligations.

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 Company 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 Company 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.

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

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
Murabaha investment deposits *	930,000,000	930,000,000
Cash at banks	31,605,884	40,915,578
Accounts receivables, net	43,177,577	46,760,117
Due from related parties	3,372,099	46,299,775
	<u>1,008,155,560</u>	<u>1,063,975,470</u>

* The Company has investment Murabaha deposits amounting to SR 930 million with a number of local financial institutions, which represent approximately 22% of the value of the Company's assets as of 30 June 2025.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Continued)

For the six month period ended 30 June 2025

(All Amounts in Saudi Riyals Unless Otherwise Stated)

23. COMMITMENTS AND CONTINGENCIES

The Company 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.

24. SUBSEQUENT EVENTS

In the opinion of management, there were no significant subsequent events after 30 June 2025 and until the date of the approval of the interim condensed financial statements by the Board of Directors that may have a material impact on the interim condensed financial statements as at 30 June 2025.

25. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Board of Directors on 2 Safar 1447H (27 July 2025).