

Tourism Enterprise Company (Shams)

(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month period ended 31 March 2026

Table of Contents	Page
Independent auditor's review report	1
Interim condensed statement of financial position	2
Interim condensed statement of profit or loss and other comprehensive income	3
Interim condensed statement of changes in shareholders' equity	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6-14

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF TOURISM ENTERPRISE COMPANY (SHAMS)
(A SAUDI JOINT STOCK COMPANY)**

1/1

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Tourism Enterprise Company (Shams) (a Saudi joint stock company) ("The Company") as at 31 March 2026, and the interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-months period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 (IAS 34) – "Interim Financial Reporting" that is 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", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 Maham Company for Professional Services



Abdulaziz Saud Al-Shabeebi
Certified Public Accountant

License no. (339)

Date: 20 Thul- Qi 'dah 1447H

7 May 2026



Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2026

		31 March 2026	31 December 2025
		#	#
ASSETS	Notes	(Unaudited)	(Audited)
NON CURRENT ASSETS			
Property and equipment	4	5,244,368	5,641,202
Investment properties	5	5,642,922	5,693,521
Investment in a real estate fund	6	233,699,086	233,699,086
Right-of-use asset		98,970	128,661
Financial assets at fair value through profit or loss	7	14,058,904	20,049,000
TOTAL NON CURRENT ASSETS		258,744,250	265,211,470
CURRENT ASSETS			
Accounts receivable		30,369	31,575
Prepayments and other receivables		1,869,058	1,331,920
Cash and cash equivalents	8	250,135,780	249,090,314
TOTAL CURRENT ASSETS		252,035,207	250,453,809
TOTAL ASSETS		510,779,457	515,665,279
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	9	578,236,230	578,236,230
Reserve	9	2,913,121	2,913,121
Accumulated losses		(84,690,645)	(80,131,544)
Fair value reserve		(15,708,314)	(15,708,314)
TOTAL SHAREHOLDERS' EQUITY		480,750,392	485,309,493
NON CURRENT LIABILITY			
Employees defined benefits obligations		1,702,352	1,606,139
TOTAL NON CURRENT LIABILITY		1,702,352	1,606,139
CURRENT LIABILITIES			
Accounts payable		422,760	344,616
Accrued expenses and other current liabilities		2,867,015	3,882,051
Provision for claims	15	5,618,000	5,618,000
Lease liability - current portion		62,615	125,238
Provision for zakat	10	19,356,323	18,779,742
TOTAL CURRENT LIABILITIES		28,326,713	28,749,647
TOTAL LIABILITIES		30,029,065	30,355,786
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		510,779,457	515,665,279

Chief Financial Officer
Mohamed El Hagry

Managing Director and
Chief Executive Officer
Abdullah Omar Al Suwaylem

Chairman
Khalid bin Abdulaziz Al Bawardi

The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

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

For the three-month period ended 31 March 2026

	Notes	For the three-month period ended 31 March	
		2026 S	2025 S
Revenue	12	1,576,164	1,411,427
Cost of revenue		(2,962,083)	(2,499,182)
GROSS LOSS		(1,385,919)	(1,087,755)
EXPENSES			
Sales and marketing		(82,340)	(300,833)
General and administration		(1,638,084)	(1,885,814)
Decrease of provision for expected credit losses, net		628,667	392,911
LOSS FROM MAIN OPERATIONS		(2,477,676)	(2,881,491)
Gain on sale of property and equipment		-	22,261
Finance income from time deposits	8	3,360,149	3,865,050
Realized losses in financial assets at fair value through profit or loss	7	(3,193,046)	-
Unrealized gain in financial assets at fair value through profit or loss	7	31,472	520,411
(LOSS)/PROFIT BEFORE ZAKAT		(2,279,101)	1,526,231
Zakat	10	(2,250,000)	(800,000)
NET (LOSS)/PROFIT FOR THE PERIOD		(4,529,101)	726,231
OTHER COMPREHENSIVE LOSS			
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial losses on employees defined benefits obligations		(30,000)	(8,505)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(4,559,101)	717,726
(LOSS) /EARNINGS PER SHARE			
Basic and diluted earnings per share from (loss)/profit before zakat for the period attributable to shareholders of the Company	11	(0.039)	0.026
Basic and diluted earnings per share from net (loss)/profit for the period attributable to shareholders of the Company	11	(0.078)	0.013

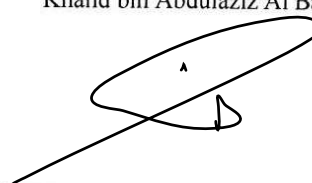
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Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

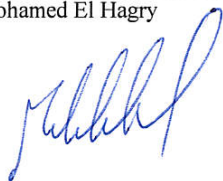
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the three-month period ended 31 March 2026

	<i>Share capital</i>	<i>Reserve</i>	<i>Accumulated losses</i>	<i>Fair value reserve</i>	<i>Total shareholders' equity</i>
	#	#	#	#	#
As at 31 December 2024 (audited)	578,236,230	2,913,121	(68,314,329)	(9,130,277)	503,704,745
Net profit for the period	-	-	726,231	-	726,231
Other comprehensive loss for the period	-	-	(8,505)	-	(8,505)
Total comprehensive income for the period	-	-	717,726	-	717,726
Balance at 31 March 2025 (unaudited)	<u>578,236,230</u>	<u>2,913,121</u>	<u>(67,596,603)</u>	<u>(9,130,277)</u>	<u>504,422,471</u>
As at 31 December 2025 (audited)	578,236,230	2,913,121	(80,131,544)	(15,708,314)	485,309,493
Net loss for the period	-	-	(4,529,101)	-	(4,529,101)
Other comprehensive loss for the period	-	-	(30,000)	-	(30,000)
Total comprehensive loss for the period	-	-	(4,559,101)	-	(4,559,101)
Balance at 31 March 2026 (unaudited)	<u>578,236,230</u>	<u>2,913,121</u>	<u>(84,690,645)</u>	<u>(15,708,314)</u>	<u>480,750,392</u>

Chief Financial Officer

Mohamed El Hagry



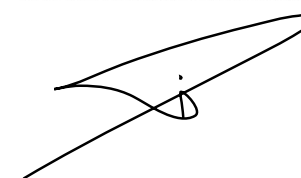
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Khalid bin Abdulaziz Al Bawardi



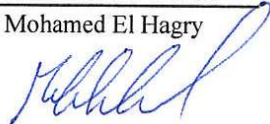
Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

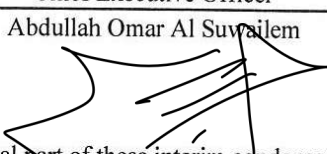
For the three-month period ended 31 March 2026

	For the three-month period ended 31 March	
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
(Loss)/profit before zakat	(2,279,101)	1,526,231
<i>Non-cash adjustments to reconcile (loss)/profit before zakat to net cash flows from operating activities :</i>		
Depreciation of property and equipment	445,688	345,298
Depreciation of investment properties	50,599	50,599
Depreciation of right-of-use asset	29,691	29,691
Gain on sale of property and equipment	-	(22,261)
Realized losses in financial assets at fair value through profit or loss	3,193,046	-
Unrealized gain in financial assets at fair value through profit or loss	(31,472)	(520,411)
Finance income from time deposits	(3,360,149)	(3,865,050)
Finance charge on lease liabilities	1,233	2,993
Decrease of provision for expected credit losses, net	(628,667)	(392,911)
Current service cost of employees' defined benefits obligations	66,213	97,406
	<u>(2,512,919)</u>	<u>(2,748,415)</u>
Working capital adjustments:		
Accounts receivable	629,873	767,553
Prepayments and other debit balances	50,861	427,091
Accounts payable	78,144	(322,656)
Accrued expenses and other current liabilities	(1,015,036)	(1,164,639)
Cash used in operations	<u>(2,769,077)</u>	<u>(3,041,066)</u>
Finance income received	2,772,149	3,229,934
Zakat paid	(1,673,419)	(2,400,000)
Employees' defined benefits paid	-	(44,888)
Net cash flows used in operating activities	<u>(1,670,347)</u>	<u>(2,256,020)</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(48,854)	(358,983)
Proceeds from sale of financial assets at fair value through profit or loss	16,855,954	-
Additions to financial assets at fair value through profit or loss	(14,027,432)	-
Proceeds from sale of property and equipment	-	22,261
Net cash flows from/(used in) investing activities	<u>2,779,668</u>	<u>(336,722)</u>
FINANCING ACTIVITY		
Payment of lease liability	(63,855)	(63,855)
Net cash flows used in a financing activity	<u>(63,855)</u>	<u>(63,855)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	1,045,466	(2,656,597)
Cash and cash equivalents at the beginning of the period	<u>249,090,314</u>	<u>255,049,804</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>250,135,780</u>	<u>252,393,207</u>

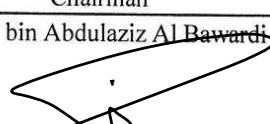
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The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

Tourism Enterprise Company (Shams) (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 31 March 2026

1 GENERAL INFORMATION

1.1 Activities

Tourism Enterprise Company (Shams) (the “Company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2050021572 and unified number 7001353452 issued in the city of Dammam dated 20 Muharram 1412H (corresponding to 1 August 1991G).

The Company is engaged in managing hotels, furnished residential units, chalets, tourist inns, resorts, wedding halls and events with accommodation, management of tourist accommodation facilities, camps, restaurants, coffee shops, buffets (cafeterias), rental of bicycles, amusement parks, entertainment centers, organization of recreational activities and operation of entertainment facilities.

Currently, the main activity of the Company is to manage tourism project (Palm Beach Resort), which is located on a leased land from the Municipality of Dammam for 40 years from the date of 1 Muharram 1410H (corresponding to 3 August 1989G), ending on 30 Dhul Hijjah 1450H (corresponding to 14 May 2029), without specifying in the contract on the possibility of renewing the lease contract.

The Company had the following branch as at 31 March 2026:

<u>Commercial registration</u>	<u>Issuance date</u>	<u>Location</u>
2052103401	6/7/1443H	Dhahran

The Company conducts its activities in the Kingdom of Saudi Arabia and its offices are located in the city of Dammam, 31482 P.O. Box 8383.

1.2 Geopolitical Developments

The Company continues to monitor regional geopolitical developments and assess their potential impact on the Kingdom of Saudi Arabia, as well as more broadly on the Gulf Cooperation Council (GCC) region and the Middle East. In light of the ongoing uncertainty associated with these developments, the Company continues to evaluate the related risks. Given the evolving nature of the situation, the Company will continue to assess the potential long-term implications on its operations in future reporting periods.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

The 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 2025. In addition, results shown in these interim condensed financial statements may not be an indicative for the annual results of the Company's operations.

2.2 Basis of measurement

These interim condensed financial statements have been prepared on a historical cost convention. Except for employees’ defined benefits obligations, that has been measured at the present value of the expected benefits obligation and investment in a real estate fund and financial assets at fair value through profit or loss, that have been measured at fair value.

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 31 March 2026

2 BASIS OF PREPARATION (continued)

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyals ("ﷲ"), which is also the functional currency of the Company.

2.4 Significant accounting policies, new standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2026, and have no impact on the Company's transactions and balances for the current or prior periods:

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-Dependent Electricity

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2025.

4 PROPERTY AND EQUIPMENT

	31 March	31 December
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
<i>Cost:</i>		
At beginning of the period/year	155,888,318	154,934,918
Additions	48,854	1,152,099
Disposals	-	(198,699)
At end of the period/year	155,937,172	155,888,318
<i>Accumulated depreciation and impairment:</i>		
At beginning of the period/year	150,247,116	148,587,458
Charge for the period/year	445,688	1,858,357
Disposals	-	(198,699)
At end of the period/year	150,692,804	150,247,116
Net book amount as at the end of the period/year	5,244,368	5,641,202

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2026

5 INVESTMENT PROPERTIES

	31 March	31 December
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
<i>Cost:</i>		
At the beginning of the period/year	10,312,035	10,312,035
At the end of the period/year	10,312,035	10,312,035
<i>Accumulated depreciation:</i>		
At the beginning of the period/year	4,618,514	4,411,569
Charge for the period/year	50,599	206,945
At the end of the period/year	4,669,113	4,618,514
Net book amount as at the end of the period/year	5,642,922	5,693,521

- Investment properties represent an owned plot of land and building located in Al Khobar, Kingdom of Saudi Arabia. The cost model is used to measure investment properties, and the fair value of investment properties is disclosed in the Company's annual financial statements. The property valuation is conducted by a licensed entity at the end of the financial year.

6 INVESTMENT IN A REAL ESTATE FUND

During 2024, the Company invested ﷲ 243,800,000 in a closed private equity fund licensed by the Capital Market Authority and managed by SEDCO Capital ("Fund Manager"). The fund is dedicated to developing a five-star hotel along the Al Khobar corniche, to be operated under the "Fairmont" brand. The Company owns 2,438 units at a price of SR 100,000 per unit.

	31 March	31 December
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
At the beginning of the period/year	233,699,086	240,277,123
Fair value loss during the period/year	-	(6,578,037)
At the end of the period/year	233,699,086	233,699,086

There were no transactions incurred with the real estate fund during the period and the management believes there is no material fair value change during the three-month period. Changes in fair value are charged to the other comprehensive income.

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2026

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company classifies those equity investments at FVTPL for which it has not elected to recognize fair value gains and losses through other comprehensive income at initial recognition. As at 31 March 2026, FVTPL investments consist of a portfolio held by a local investment bank composed of quoted shares (as at 31 December 2025: same). The movement in FVTPL investments is set out below:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
At the beginning of the period/year	20,049,000	22,707,089
Proceeds from sales during the period/year	(16,855,954)	-
Additions during the period/year	14,027,432	-
Realized losses during the period/year	(3,193,046)	-
Unrealized gain /(loss) during the period/year	31,472	(2,658,089)
At the end of the period/year	<u>14,058,904</u>	<u>20,049,000</u>

8 CASH AND CASH EQUIVALENTS

	31 March 2026	31 December 2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Time deposits (note 8.1)	245,000,000	249,000,000
Cash available in the investment portfolio	2,828,522	-
Bank balances	2,306,258	89,314
Cash in hand	1,000	1,000
	<u>250,135,780</u>	<u>249,090,314</u>

8.1 Bank balances represent cash held with local banks and are denominated mainly in Saudi Riyals. Time deposits earn interest income at an average rate of 5.8% and are renewed on average period of 70 days (2025: earn interest income at an average rate of 5.9% and are renewed on average period of 65 days).

9 SHARE CAPITAL AND RESERVE

9.1 Share Capital

The share capital of the Company is divided into 57,823,623 ordinary shares with a nominal value of ﷲ 10 each as at 31 March 2026 (31 March 2025: 1,156,472,460 ordinary shares with a nominal value of ﷲ 0.5).

On 2 Safar 1447 (corresponding to 27 July 2025), the Board of Directors recommended to the Extraordinary General Assembly to change the nominal value of the Company's shares from ﷲ 0.5 per share to ﷲ 10 per share.

On 24 Rabi' II 1447 (corresponding to 16 October 2025), the Extraordinary General Assembly approved the change in nominal value and consequently, the number of shares has been adjusted from 1,156,472,460 shares to 57,823,623 shares.

9.2 Reserve

During the year 2023, the Company amended its by-laws to comply with the new Companies Regulations requirements issued by Royal Decree M/132 dated 30 June 2022 and consequently, the Company is no longer required to appropriate statutory reserve. Accordingly, the reserve appropriated during the prior years will be subject to shareholders resolution in the future, either to keep it as a general reserve, or transfer it back to retained earnings.

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2026

10 ZAKAT

10.1 Charge for the period

The charge for the interim period is calculated based on the estimated zakat charge for the whole year.

10.2 Movements in provision during the period/year

The movement in the zakat provision was as follows:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
At the beginning of the period/year	18,779,742	19,047,477
Charge for the period/year	2,250,000	9,752,513
Paid during the period/year	(1,673,419)	(10,020,248)
At the end of the period/year	19,356,323	18,779,742

10.3 Status of assessments

The Company has submitted its zakat returns for all years from inception up to the year ended 31 December 2025 and obtained the required certificates. The Company has agreed its zakat position with ZATCA for all years up to 2024.

11 (LOSS)/EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) is calculated by dividing the net (loss) / profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and ordinary shares outstanding data used in the basic and diluted earnings per share calculation of the shareholders of the Company:

	For the three-month period ended 31 March	
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
(Loss)/profit before Zakat attributable to equity holders of the Company	(2,279,101)	1,526,231
Net (loss)/profit attributable to equity holders of the Company	(4,529,101)	726,231
Weighted average number of ordinary shares outstanding	57,823,623	57,823,623
Basic and diluted earnings per share from (loss)/profit before zakat for the period	(0.039)	0.026
Basic and diluted earnings per share from net (loss)/profit for the period	(0.078)	0.013

The weighted average number of shares outstanding have been adjusted to reflect the reverse share split that took place during the year 2025 (note 9) and consequently, earnings per share for the current and comparative periods have been adjusted as required by the relevant accounting standards (IAS 33).

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 31 March 2026

12 REVENUE

Below is the disaggregation of the Company's revenue:

	For the three-month period ended 31 March	
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Type of services		
Revenue from rooms	736,151	422,239
Revenue from food and beverages	311,487	484,485
Challet rent and other revenue	528,526	504,703
Total revenue	1,576,164	1,411,427
Geographical markets		
Saudi Arabia	1,576,164	1,411,427
Timing of revenue recognition		
Services transferred over time	528,526	504,703
Services transferred at a point in time	1,047,638	906,724
Total revenue from contracts with customers	1,576,164	1,411,427

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties.

13.1 Amounts due to related parties presented under accrued expenses and other current liabilities comprise of the following:

	31 March 2026	31 December 2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Board of directors	125,000	148,580

13.2 The significant related party transactions were as follows:

	31 March 2026	31 March 2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Salaries and allowances of executives	792,000	838,002
Remuneration and bonus to board of directors and other board members	-	-

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 31 March 2026

14 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in managing Palm Beach Resort (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Board of Directors of the Company monitor the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors, for the Company as a whole. The various expenses which are included in the measurement of the net result for the Company are disclosed in the respective notes to the interim condensed financial statements.

The Company's activities are limited to managing Palm Beach Resort. The Company analyses the financial information of its operations as a whole. Accordingly, segmental analysis of the interim condensed statement profit or loss and other comprehensive income and interim condensed statement of financial position is not presented. The CODM considers the Company to be a single operating segment based on the nature of its operations and services as all of the Company's operations relate to one operating sector. In addition all of the Company's activities are concentrated in the Kingdom of Saudi Arabia. Consequently, the Company does not disclose business segments neither geographical segments.

15 COMMITMENTS AND CONTINGENCIES

The Company has various legal cases raised by various parties on the Company. The management believes that there is no significant exposure on the Company to incur additional losses as a result of the resolution of these cases beyond the provisions booked already by the Company in the past.

16 CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to the shareholders through the optimization of the equity balance. The Company's overall strategy remains unchanged from the previous year. The capital structure of the Company consists of equity comprising capital, the reserve and accumulated losses. The Company is not subject to any externally imposed capital requirements.

17 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 during the three-month period ended 31 March 2026 (31 December 2025: same).

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 31 March 2026

17 FAIR VALUE MEASUREMENT (continued)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

	<i>Carrying value</i>	<i>Fair value measurement using</i>		
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
<i>31 March 2026</i>				
Investment in a real estate fund	233,699,086	-	-	233,699,086
Financial assets at fair value through profit or loss	14,058,904	14,058,904	-	-
	<u>247,757,990</u>	<u>14,058,904</u>	<u>-</u>	<u>233,699,086</u>
	<i>Carrying value</i>	<i>Fair value measurement using</i>		
	<i>ﷲ</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
<i>31 December 2025</i>				
Investment in a real estate fund	233,699,086	-	-	233,699,086
Financial assets at fair value through profit or loss	20,049,000	20,049,000	-	-
	<u>253,748,086</u>	<u>20,049,000</u>	<u>-</u>	<u>233,699,086</u>

Financial instruments by categories

	31 March 2026	31 December 2025
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Financial assets measured at amortized cost		
Accounts receivable*	5,912,778	6,542,651
Cash and cash equivalents	250,134,780	249,089,314
	<u>256,047,558</u>	<u>255,631,965</u>
Financial liabilities measured at amortized cost		
Accounts payable	422,760	344,616
Accrued expenses and other current liabilities	2,867,015	3,882,051
	<u>3,289,775</u>	<u>4,226,667</u>

* The provision for expected credit losses for accounts receivable amounted to ﷲ 5,882,409 as at 31 March 2026 (as at 31 December 2025: ﷲ 6,511,076).

Tourism Enterprise Company (Shams)
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2026

18 RECLASSIFICATION

Certain items in the statement of profit or loss and other comprehensive income have been reclassified for better presentation purposes, which do not have any impact on the retained earnings or net profit for the comparative period.

The following table presents the impact of the reclassification on the statement of profit or loss and other comprehensive income for the period ended 31 March 2025:

	<i>Previously reported</i>	<i>Adjustment</i>	<i>Reclassified</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
Revenue	1,411,427	-	1,411,427
Cost of revenue	(1,964,540)	(534,642)	(2,499,182)
GROSS LOSS	(553,113)	(534,642)	(1,087,755)
EXPENSES			
Sales and marketing	(422,658)	121,825	(300,833)
General and administration	(2,298,631)	412,817	(1,885,814)
Decrease of provision for expected credit losses, net	392,911	-	392,911
LOSS FROM MAIN OPERATIONS	(2,881,491)	-	(2,881,491)
Gain on sale of property and equipment	22,261	-	22,261
Finance income from time deposits	3,865,050	-	3,865,050
Fair value gain on financial assets at fair value through profit or loss	520,411	-	520,411
PROFIT BEFORE ZAKAT	1,526,231	-	1,526,231
Zakat	(800,000)	-	(800,000)
NET PROFIT FOR THE PERIOD	726,231	-	726,231
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial losses on employees defined benefits obligations	(8,505)	-	(8,505)
TOTAL COMPREHENSIVE INCOME	717,726	-	717,726

19 SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period ended 31 March 2026 which would require either a disclosure or have a material impact on the Company's interim condensed financial statements.

20 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were authorized for issuance by the board of directors on 20 Thul-Qi'dah 1447H (corresponding to 7 May 2026).