

Darb Saudi Investment Company
(Previously Al-Baha Investment and Development Company)
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The Interim
Condensed Financial Statements (Unaudited) and
Independent Auditor's Review Report
For the Three-Month and Nine-Month Periods Ended September 30, 2025

Darb Saudi Investment Company
(Previously Al-Baha Investment and Development Company)
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

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Independent Auditor's Review Report on The Interim Condensed Financial Information

To the Shareholders of
Darb Saudi Investment Company (previously Al-Baha Investment and Development Company)
A Saudi joint stock company
Riyadh - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Darb Saudi Investment Company ("the company") (previously Al-Baha Investment and Development Company) - A Saudi Joint Stock Company - as of September 30, 2025, and related interim condensed statement of comprehensive income for the three-month and nine-month periods ended September 30, 2025, the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the nine-month period then ended, and other explanatory notes related to the condensed interim financial information. Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial information 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" endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed 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 condensed interim financial information for the three-month and nine-month periods ended 30 September 2025 of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) - a Saudi Joint Stock Company - are not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Independent Auditor's Review Report to the Shareholders of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) (Continued)

Emphasis of a Matter

We draw attention to notes (8 and 14) to the accompanying interim condensed financial statements, which describes the legal case on the assets exchange with Al - Sata'ah Modern General Contracting Company. The Company has created a provision for expected losses that resulted from the assets exchange contract with Al-Sata'ah Modern General Contracting Company for an amount of SR 26,136,823, where the Company's management believes that the assets that are supposed to be received in the barter transaction have low values and there is a significant impairment on them as a result of their obsolescence; accordingly a provision has been recognized against them for the amount of the performance obligations that the company is obliged to transfer to the other party. In addition, the previously issued court judgment obligating Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) to execute the terms of the contract with Al- Sata'ah Modern General Contracting Company was upheld. Our conclusion is not modified in respect of this matter.

Talal Abu-Ghazaleh & Co.



Waleed Ahmed Bamarouf

Certified Public Accountant - Licence No. 408

Date: Rabi' al-Thani 29, 1447 (H) corresponding to October 21, 2025 (G)

Jeddah - Kingdom of Saudi Arabia

Darb Saudi Investment Company
(Previously Al-Baha Investment and Development Company)
A Saudi Joint Stock Company
Riyadh - Kingdom of Saudi Arabia

The interim condensed statement of financial position (unaudited)
as of September 30, 2025

Exhibit "A"

		September 30, 2025	December 31, 2024
	Notes	(Unaudited)	(Audited)
ASSETS			
Current Assets		(SR)	(SR)
Cash and cash equivalents		2,461,645	397,113
Trade receivables - net	4	4,064,823	3,061,853
Other debit balances - net		248,745	140,934
Due from related party	11	310,670	-
Total Current Assets		7,085,883	3,599,900
Non - Current Assets			
Goodwill- net	5	22,159,064	22,159,064
Intangible assets - net		1	1
Investment properties- net	6	231,595,998	234,084,003
Property and equipment- net		341,278	293,377
Total Non Current Assets		254,096,341	256,536,445
Non-current assets held for sale- net	8	-	-
Total Assets		261,182,224	260,136,345
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		937,461	937,461
Other credit balances		7,839,201	5,639,926
Auction shares deposits under settlement	7	11,269,167	11,207,056
Due to related parties	11	3,200,000	6,280,718
Lease liability - current portion		1,399,043	1,959,964
Zakat provision	9	94,934	2,112,527
Total Current Liabilities		24,739,806	28,137,652
Non-Current Liabilities			
Lease liability - non current portion		8,036,130	8,509,687
Employees' defined benefit obligation		491,935	435,479
Total Non-Current Liabilities		8,528,065	8,945,166
Total Liabilities		33,267,871	37,082,818
Equity			
Shareholders' Equity			
Capital	10	218,295,000	218,295,000
Retained earnings		9,619,353	4,758,527
Total shareholders' Equity		227,914,353	223,053,527
Non - Controlling interests	1	-	-
Total Equity		227,914,353	223,053,527
TOTAL LIABILITIES AND EQUITY		261,182,224	260,136,345

The accompanying notes from (1) to (18) constitute an integral part of these interim condensed financial statements

Darb Saudi Investment Company
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The interim condensed statement of comprehensive income (unaudited)
for the three-month and nine-month periods ended September 30, 2025

Exhibit "B"

	Notes	For the Three-Month Period Ended 30 September		For the Nine-Month Period Ended 30 September	
		2025	2024	2025	2024
		(SR)	(SR)	(SR)	(SR)
Revenues		4,642,464	4,523,977	13,808,656	13,477,471
Cost of revenues		(1,079,358)	(1,105,806)	(3,264,718)	(3,333,698)
Gross profit		3,563,106	3,418,171	10,543,938	10,143,773
General and administrative expenses		(1,008,698)	(923,341)	(2,854,637)	(2,834,718)
Provision of expected credit loss	4	(509,967)	(1,856,523)	(2,581,013)	(1,291,194)
Net profit from operations		2,044,441	638,307	5,108,288	6,017,861
Finance costs		(97,047)	(111,855)	(298,708)	(344,479)
Other revenue		90,667	56,455	146,180	156,249
Income for the period before Zakat		2,038,061	582,907	4,955,760	5,829,631
Zakat	9	(74,723)	(837,893)	(94,934)	(3,165,309)
Total comprehensive income		1,963,338	(254,986)	4,860,826	2,664,322
Comprehensive income for the period attributable to:					
Shareholders of the company		1,963,338	(388,516)	4,860,826	1,765,017
Non - Controlling interests		-	133,530	-	899,305
Total		1,963,338	(254,986)	4,860,826	2,664,322
Basic and diluted earnings (loss) per share for the shareholders of the company/parent company	12	0.0090	(0.0018)	0.0223	0.0081

The accompanying notes from (1) to (18) constitute an integral part of these interim condensed financial statements



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The interim condensed statement of changes in equity (unaudited) for the nine-month period ended September 30, 2025 Exhibit "C"

	Capital	Retained earnings (accumulated losses)	Net Shareholders' Equity	Net Non- Controlling interests	Total Equity
	(SR)	(SR)	(SR)	(SR)	(SR)
For the period ended September 30, 2025					
Balance at the beginning of the period - audited	218,295,000	4,758,527	223,053,527	-	223,053,527
Total comprehensive income	-	4,860,826	4,860,826	-	4,860,826
Balance at the end of the period - unaudited	218,295,000	9,619,353	227,914,353	-	227,914,353
For the period ended September 30, 2024					
Balance at the beginning of the period - audited	297,000,000	(82,123,073)	214,876,927	19,400,992	234,277,919
Total comprehensive income	-	1,765,017	1,765,017	899,305	2,664,322
Balance at the end of the period - unaudited	297,000,000	(80,358,056)	216,641,944	20,300,297	236,942,241

The accompanying notes from (1) to (18) constitute an integral part of these interim condensed financial statements



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The interim condensed statement of cash flows (unaudited)
for the nine-month period ended September 30, 2025

Exhibit "D"

	For the Nine-Month Period Ended 30 September	
	2025 (SR)	2024 (SR)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income for the period before Zakat	4,955,760	5,829,631
Adjustments to reconcile profit for the period before Zakat to net cash flows from operating activities		
Depreciation of investment property and PP&E	2,838,068	2,775,947
Employees' defined benefit obligation - charged	116,316	78,937
Finance cost	298,708	344,479
Provision of expected credit loss	2,581,013	1,291,194
Gains on disposal of property and equipment	(16,000)	(53,911)
Changes in Operating Assets and Liabilities		
Trade receivables	(3,583,983)	(2,805,860)
Other debit balances	(107,811)	(244,974)
Due from related party	(310,670)	(398,548)
Other credit balances	2,199,275	2,540,184
Auction shares deposits under settlement	62,111	(40,039)
Cash flows from operations	9,032,787	9,317,040
Zakat - Paid	(2,112,527)	(2,019,879)
Employees' defined benefit obligation - Paid	(59,860)	-
Net Cash flows from Operating Activities	6,860,400	7,297,161
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of investment property	(258,089)	-
Additions of property and equipment	(139,875)	-
Proceeds from sale of property and equipment	16,000	100,000
Net cash flows (used in) from investing activities	(381,964)	100,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability - Paid	(1,333,186)	(951,248)
Due to related parties	(3,080,718)	-
Net Cash flows used in Financing Activities	(4,413,904)	(951,248)
Net increase in cash and cash equivalents	2,064,532	6,445,913
Cash and cash equivalents at beginning of the period	397,113	7,229,551
Cash and cash equivalents at end of the period	2,461,645	13,675,464

The accompanying notes from (1) to (18) constitute an integral part of these interim condensed financial statements

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Notes to the interim condensed financial statements (unaudited)
for the nine-month period ended September 30, 2025

1. Company's Information

- Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) (“the company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under the commercial registration No. 5800005960 Uniform number 7001363386 on Rajab 19, 1413(H) corresponding to January 11, 1993(G) and according to Ministerial Resolution No. 600 on Jumada Al-Thani 5, 1413(H) corresponding to November 30, 1992(G).
- During the current period, on June 17, 2025, the company's name was changed to Darb Saudi Investment Company instead of Al-Baha Investment and Development Company, and all regulatory procedures in this regard have been completed.
- The Company's activities include managing and leasing the residential and non-residential real estates that are owned or leased by the Company, managing and leasing warehouses, brokerage of real estates, managing properties, general construction of residential and non-residential buildings; renovation of residential and non-residential buildings; finishing works for buildings, hotels, and hotel apartments; as well as the purchase, sale, and subdivision of land and real estate; off-plan sales activities; and the real estate development of residential and commercial buildings. The Company performs its activities in accordance with applicable regulations and after obtaining the required licenses from related bodies (if required).
- Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) obtained a real estate developer qualification certificate from the Ministry of Municipal and Rural Affairs and Housing, Developers Services Center, after meeting the approved qualification standards on March 7, 2024.
- The head office of the company is located at the following address:
Riyadh - Al-Izdihar district, P.O. Box 12485, Kingdom of Saudi Arabia
- The financial statements include the activities of the following branches:
 - The Elegant Centers Limited, a branch of Darb Saudi Investment Company (previously branch of Al-Baha Investment and Development Company), Commercial Registration No. 1010428696 dated Safar 18, 1436H, corresponding to December 10, 2014.
 - Ishraqa Regional Real Estate Development and Investment, a branch of Darb Saudi Investment Company (previously branch of Al-Baha Investment and Development Company), Commercial Registration No. 1010714580 dated Shawwal 18, 1438H, corresponding to July 12, 2017.

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Notes to the interim condensed financial statements (unaudited)
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Purchase of Additional Share in a Subsidiary

On August 7, 2024, a Share Purchase and Sale Agreement was signed between Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) (the buyer) and Mr. Mishal bin Mohammed bin Hassan Mufti (the seller and former board member) and the owner of the non-controlling interests in The Elegant Centers Limited Company (a subsidiary). The seller owns 750,000 shares, representing 13.04% of the capital of The Elegant Centers Limited Company, and intends to sell them to Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) (the buyer) for SAR 19,600,000, which will be paid as follows:

- The buyer will pay the purchase price within one year from the effective date. The buyer has the right to extend the payment period for one or more additional similar periods upon notification to the seller.
- The buyer will pay 20% of the purchase price, amounting to SAR 3,920,000, at the effective date.
- The remaining 80% of the purchase price, amounting to SAR 15,680,000, will be paid during the payment period or any extension thereof, with a maximum deadline by the end of the payment period or any extension.

The first part of the purchase amount, SAR 3,920,000, was paid on October 1, 2024, and the legal procedures were completed, and the ownership transferred on October 1, 2024.

After that date, Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) paid SAR 12,480,000; accordingly, the outstanding balance due to the related party (Mr. Mishal bin Mohammed bin Hassan Mufti) amounted to SAR 3,200,000 (Note 11).

On September 8, 2025 Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) notified Mr. Mishaal bin Mohammed bin Hassan Mufti (the seller and former board member) of the company's request to extend the deferral period for the settlement of amounts due to him for an additional one-year term, effective from the end of the current deferral period.

Conversion of Subsidiaries to Branches

After purchasing the non-controlling interests in The Elegant Centers Limited Company, Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) now owns 100% of its subsidiaries, The Elegant Centers Limited Company and Ishraqa Regional Real Estate Development and Investment Company (a single-member company). Subsequently, Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) converted its subsidiaries into branches of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company). This was approved in the minutes of the Ordinary General Assembly meeting held on September 30, 2024. On October 31, 2024, The Elegant Centers Limited Company was converted into a branch of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) under the same commercial registration number and date (Commercial Registration No. 1010428696, dated Safar 18, 1436H, corresponding to December 10, 2014). Similarly, Ishraqa Regional Real Estate Development and Investment Company (a single-member company) was converted into a branch of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) on November 6, 2024, under the same commercial registration number and date (Commercial Registration No. 1010714580, dated Shawwal 18, 1438H, corresponding to July 12, 2017). All legal procedures for this conversion were completed.

Capital Reduction

According to the Extraordinary General Assembly meeting held on December 19, 2024, it was decided to absorb part of the accumulated losses amounting to SAR 78,705,000 by reducing the capital. A total of 787,050,000 shares were canceled at a nominal value of SAR 0.10 per share, with a reduction of one share for every 3.77 shares. On April 8, 2025, the Extraordinary General Assembly Meeting was held, and it was voted to amend the nominal value of the share to become One Saudi Riyal instead of ten halalas (0.10) per share; accordingly, the number of shares becomes 218,295,000 nominal shares instead of 2,182,950,000 nominal shares. All regulatory procedures were completed, including amending the company's articles of association and commercial registration.

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Notes to the interim condensed financial statements (unaudited)
For the nine-month period ended September 30, 2025 – (Continued)

2. Basis of preparation

a) Statement of compliance with International Financial Reporting Standards

- These interim condensed financial statements for the nine-month period ended September 30, 2025 have been prepared in accordance with International Accounting Standard No. (34) “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization 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 prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the financial statements for the Company for the year ended December 31, 2024. In addition, the business results for the nine months period ended September 30, 2025 are not necessarily an indication for the expected results for the year ended December 31, 2025.

b) Basis of measurement

These interim condensed financial statements have been prepared on historical cost basis using the accrual basis and going concern assumption.

c) Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Riyals, which represents the functional and presentation currency for the Company.

d) Key Judgments

The company's management assesses its ability to continue as a going concern, including an assessment of the going concern for the twelve months following the date of the financial report. They are confident that they have the resources to continue their activities in the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

e) Estimates

Preparing the interim condensed financial statements requires management to make some judgments, estimates and assumptions that affect the application of the company's accounting policies and the amounts presented for assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The preparation of the interim condensed financial statements also requires significant judgments from the company's management when applying accounting policies and significant sources of estimates and uncertainties that have a material impact, which are the same as shown in the financial statements for the previous year ending on December 31, 2024.

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Notes to the interim condensed financial statements (unaudited)
For the nine-month period ended September 30, 2025 – (Continued)

3. Material accounting policy information

The accounting policies used in the interim condensed financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2024, except for applying of new standards and amendments to standards and interpretations described in note (16).

4. Trade receivables - net

This item consists of the following:

	September 30, 2025	December 31, 2024
	(SR)	(SR)
Trade receivables	13,548,701	9,964,718
Less: Provision for expected credit losses (*)	(9,483,878)	(6,902,865)
Net	4,064,823	3,061,853

(*) Movement of provision for expected credit losses was as follows:

	September 30, 2025	December 31, 2024
	(SR)	(SR)
Balance at the beginning of the period / year	6,902,865	5,666,970
Charged during period / year	2,581,013	1,892,641
Written off during the period / year	-	(656,746)
Balance at the end of the period / year	9,483,878	6,902,865

5. Goodwill-net

The recognized goodwill in the interim condensed financial statements was as a result of the acquisition of the cash-generating unit Ishraqa Regional Real Estate Development and Investment Company (Company's branch) during the year 2017, and the following is a breakdown of its movement:

	September 30, 2025	December 31, 2024
<u>Cost</u>	(SR)	(SR)
Balance at the beginning of the period / year	28,389,288	28,389,288
Balance at the end of the period / year	28,389,288	28,389,288
<u>Accumulated impairment</u>		
Balance at beginning the of the period / year	6,230,224	6,230,224
Addition during the period/year	-	-
Balance at the end of the period / year	6,230,224	6,230,224
Net book value	22,159,064	22,159,064

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Notes to the interim condensed financial statements (unaudited)
For the nine-month period ended September 30, 2025 - (Continued)

- The Company tests the impairment of goodwill on an annual basis by using assistance of an external independent business valuer, this is with the aim of verifying whether there is an impairment on the value of goodwill by comparing the book value of the cash-generating unit with the recoverable value, which is determined by the cost method and the adjusted net asset value method which was assigned a weigh of 100%. However, when calculating the recoverable value using the income method and the discounted cash flow method, the evaluation result was negative, and therefore this method was ignored, with a weight of zero%.
- The cost method and the adjusted net assets method were relied upon to evaluate Ishraqa Regional Real Estate Development and Investment (Company's branch), since it derives its value substantially from the investment property (Al-Izdihar Complex), whose book value is SR 69,350,008 as of December 31, 2024 (note 6/b). The following is a summary of the calculation of the fair value of the net assets and the value of the goodwill as of the date:

	<u>December 31, 2024</u>
	(SR)
Net assets at book value	17,401,294
Less: Investment properties - at book value - note (6/b)	(69,350,008)
Add: Investment properties - at fair value - note (6/b)	109,212,000
Fair value of net assets	57,263,286
Less: Net assets - at book value	(17,401,294)
value of good will	39,861,992

- The fair value of investment properties was reached by relying on real estate valuation reports carried out by a valuation expert, Taqdeer Company, a member of the Saudi Authority for Accredited Valuers, Membership No. 1210000414, on December 31, 2024.
- The property and equipment related to the cash-generating unit were excluded as of December 31, 2024, as they were not considered material, with a carrying amount of SR 188,333.
- The evaluation was carried out using the cost method that falls within international standards and is approved by the Saudi Authority for Accredited Valuers.
- The evaluation of the cash generation unit Ishraqa Regional Real Estate Development and Investment (company branch) was carried out by Alpha Consulting Group - assessor Azzam Al-Mufadda - License Number (3912000019) for the year 2024.

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Notes to the interim condensed financial statements (unaudited)
For the nine-month period ended September 30, 2025 – (Continued)

6. Investment properties-net

a) This item consists of the following:

			Advance payments for improvements of investment properties	Total
<u>September 30, 2025</u>	<u>Lands</u>	<u>Buildings</u>		
<u>Cost</u>	(SR)	(SR)	(SR)	(SR)
Balance at the beginning of the period	179,919,738	80,079,202	230,948	260,229,888
Addition during the period	-	175,843	82,246	258,089
Transferred from advance payments for investment property improvements	-	230,948	(230,948)	-
Balance at the end of the period	179,919,738	80,485,993	82,246	260,487,977
<u>Accumulated Depreciation</u>				
Balance at the beginning of the period	-	17,024,474	-	17,024,474
Addition during the period	-	2,746,094	-	2,746,094
Balance at the end of the period	-	19,770,568	-	19,770,568
<u>Accumulated impairment</u>				
Balance at the beginning of the period	9,121,411	-	-	9,121,411
Balance at the end of the period	9,121,411	-	-	9,121,411
Net book value	170,798,327	60,715,425	82,246	231,595,998
<u>December 31, 2024</u>				
<u>Cost</u>				
Balance at the beginning of the year	179,919,738	79,902,784	-	259,822,522
Addition during the year	-	176,418	230,948	407,366
Balance at the end of the year	179,919,738	80,079,202	230,948	260,229,888
<u>Accumulated Depreciation</u>				
Balance at the beginning of the year	-	13,453,834	-	13,453,834
Addition during the year	-	3,570,640	-	3,570,640
Balance at the end of the year	-	17,024,474	-	17,024,474
<u>Accumulated impairment</u>				
Balance at the beginning of the year	10,307,079	-	-	10,307,079
Reversal during the year	(1,185,668)	-	-	(1,185,668)
Balance at the end of the year	9,121,411	-	-	9,121,411
Net book value	170,798,327	63,054,728	230,948	234,084,003

- The Company measures the fair value of investment properties on an annual basis when preparing the annual financial statements through an independent valuation expert who has a recognized and relevant professional qualification and has recent experience in the location and description of the investment property, and the last measurement was on December 31, 2024. In the opinion of the company's management, there has been no material change in the fair value of these investment properties.

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b) The following is a summary of the fair value measurement of investment properties as at December 31, 2024:

Property description	December 31, 2024					License number
	Valuation method	Book Value (SR)	Fair Value (SR)	Value increase (SR)	Evaluation entity	Evaluator name
AlHazm Complex	Income method Discounted cash flow method	19,117,211	23,427,000	4,309,789	Taqdeer	Hamad bin Abdullah Al-Hamad 1210000414
AlMalaz Complex	Income method Discounted cash flow method	110,276,000	110,276,000	-	Taqdeer	Hamad bin Abdullah Al-Hamad 1210000414
The Saudi factory	Cost method (replacement cost)	26,674,417	38,434,000	11,759,583	Taqdeer	Hamad bin Abdullah Al-Hamad 1210000414
Al-Eztihar Complex	Cost method (replacement cost)	69,350,008	109,212,000	39,861,992	Taqdeer	Hamad bin Abdullah Al-Hamad 1210000414
Al-Suwaidi Complex	Income method Discounted cash flow method	8,666,367	12,460,487	3,794,120	Taqdeer	Hamad bin Abdullah Al-Hamad 1210000414
Total		234,084,003	293,809,487	59,725,484		

7. Auction shares deposits under settlement

The company obtained the approval of the Capital Market Authority on Rabi' al-Awwal 25, 1430 H, corresponding to March 22, 2009, to sell the unpaid shares to collect the value of the last installment of (SR 2.5) per share. The company started the sale process on June 28, 2009 until December 31, 2009, (984,032 shares) were sold for an amount of (SR 14,325,234) according to the offers submitted in the auction. The amount was fully collected, the amount is (SR 2.5), which represents value of 25% of the remaining share value, thus the amount of SR 2,113,074 was used to complete the capital to become SR 150,000,000 fully paid, while the remaining amount of SR 12,212,160, will be returned as a surplus to the shareholders who are late in paying the last installment, and whose shares were sold in auction. The remaining outstanding amount is SR 10,475,015 as of September 30, 2025 (December 31, 2024: SR 10,512,801).

On Rajab 20, 1443 H, corresponding to February 21, 2022, the company's shareholders approved in the Extraordinary General Assembly to increase the company's capital from SR 177,000,000 to SR 297,000,000, and 12,000,000 shares were subscribed, 10,735,702 shares were sold to priority rights holders, and the number of unsubscribed shares reached 1,264,298 shares were sold at a value of SR 23,837,933, this resulted in an amount of SR 11,194,953 that will be refunded to the unsubscribed shareholders. On April 8, 2025, the Extraordinary General Assembly Meeting was held, and it was voted to amend the nominal value of the share to become One Saudi Riyal instead of ten halalas (0.10) per share; accordingly, the number of shares becomes 218,295,000 nominal shares instead of 2,182,950,000 nominal shares and the remaining value amounted to SR 794,152 as of September 30, 2025 (December 31, 2024: SR 694,255).

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8. Net non-current assets held for sale and provision for potential claims

On February 6, 2011, the company signed a contract with Al- Sata'ah Modern General Contracting Company according to which the company purchased:

- A crusher with all its equipment, its vehicles, and all movable and fixed assets without its financial liabilities.
- The ready-made concrete project and its movable and fixed assets without their financial receivables.
- The hydrochloric factory (under construction) in addition to its equipment without their financial liabilities.

This is in return for assets with a book value of SR 74,003,717, in addition to paying an amount of SR 10 million in four installments according to certified checks.

The company has done the following:

- 1) According to the minutes of the Ordinary General Assembly of the company, which was held on April 26, 2011, in which the vote on the bartering assets agreement with the Sata'ah Modern General Contracting Company was postponed to another meeting of the Assembly, after the completion of the required reports and studies.
- 2) The company contracted with a specialized office to carry out the due diligence examination of the assets of the Al- Sata'ah Modern General Contracting Company, subject of the agreement, and the office issued the due diligence report on September 17, 2011, and those assets were only valued at SR 17,300,559.
- 3) The company announced on the Tadawul website on September 18, 2011 the issuance of the results of the due diligence report on evaluating the assets of the Al- Sata'ah Modern general Contracting Company, and in view of the large difference between the evaluation result of the assets of the Al- Sata'ah Modern general Contracting Company and the value of the assets of Saudi Darb Investment Company (previously Al-Baha Investment and Development Company) offered for barter with the assets of the Al- Sata'ah Modern General Contracting Company, the management of Saudi Darb Investment Company (previously Al-Baha Investment and Development Company) discussed the evaluation results with the management of the Al- Sata'ah Modern General Contracting Company.
- 4) The company announced on the Tadawul website on October 1, 2011 the results of its negotiations with the Al- Sata'ah Modern General Contracting Company, which resulted in the Al- Sata'ah Modern general Contracting Company not accepting the results of the due diligence report and also refused to return the amount of 7 million Saudi riyals, that the company had paid in advance as part of the contract. As a result of that, the company canceled the contract with Al- Sata'ah Modern general Contracting Company and a lawsuit was filed in the Judicial Council demanding that Al- Sata'ah Modern general Contracting Company to return the amount paid, A final judgment was issued in the case from the Judicial Council in Jeddah on 24/6/1434 (H) that includes approval of the initial judgment issued by Administrative Court in Jeddah to complete the implementation of the contract. On February 9, 2017, the company received a copy of the judgment of the Execution Department of the General Court in Baljurashi, which states that by looking at the ruling issued by the Judicial Council, it was found that the items to be implemented were not specified, and the ruling of Execution Department ended with stopping the implementation until the judgment issued by the Judicial Council is corrected so it determines the clauses to be executed clearly and precisely for each clause. Also, the ruling the Execution Department stipulated the right to object by the two parties to the execution within a period of thirty days starting from the next day from the date of receiving the verdict copy, and the case is still pending with the concerned courts. The company has decided to provide a provision that covers all losses resulting from that operation in the amount of SR 68,699,441.

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- 5) During the year 2017, the company reversed the increase in the previously formed asset exchange provision, amounting to SR 1,996,283, so that the balance of the asset exchange provision after reversing the increase amounted to SR 66,703,158.
- 6) On March 6, 2018, the explanatory decision was issued by the Commercial Court in Jeddah, Second Circuit, specifying the items to be implemented as follows:
- First:** oblige Saudi Darb Investment Company (previously Al-Baha Investment and Development Company) to pay 3 million Saudi riyals to the Al- Sata'ah Modern general Contracting Company.
- Second:** oblige Saudi Darb Investment Company (previously Al-Baha Investment and Development Company) to effectively waive the entire 134 plots of land with the notary, which it owns by 50% of the entire land in the Al-Mrouj scheme located in Al-Sail Al-Saghir in Al-Taif Governorate, in favor of the Al- Sata'ah Modern General Contracting Company.
- Third:** Oblige Saudi Darb Investment Company (previously Al-Baha Investment and Development Company) to waive to the Al- Sata'ah Modern General Contracting Company the entire contents of the poultry project and the land on which the project is based, which is owned by Saudi Darb Investment Company (previously Al-Baha Investment and Development Company).
- 7) On April 19, 2018, the company filed an appeal with the Commercial Court in Jeddah. On November 5, 2018, the company received a report from a lawyer stating that the appealed judgment was overturned. On November 8, 2018, the company submitted an objection to the department's interpretation of the ruling. On January 9, 2019, the Second Commercial Circuit of the Commercial Court in Jeddah decided to issue its preliminary ruling to adhere to its previous decision dated 19/6/1439 (H) which ruled that the term intended to oblige the parties to the lawsuits to complete the implementation of the contract concluded between them related to this case dated 03/03/1432 (H). On February 24, 2019 (G), the company filed its appeal against the judgment received on January 27, 2019 (G). On 5/7/1442 (H) corresponding to February 17, 2021, the department decided to accept the objection in form and reject it in substance, and support the judgment of the Second Circuit (in the Commercial Court in Jeddah in the case) and the judge decided to implement the items referred to in Clause No. 6. Accordingly, the company decided to increase the provision for potential claims by an amount of SR 17,300,559, which was recorded in the statement of comprehensive income for the year ended on December 31, 2020
- 8) During the year 2022, a final judgment was issued against Saudi Darb Investment Company (previously Al-Baha Investment and Development Company), and the company had to implement what was stated in item No. 6 above, accordingly, during the year 2022, the company paid an amount of 3 million Saudi riyals, and the rest of the aforementioned items are being implemented

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- 9) The Company provided a provision for the loss resulting from the bartering asset contract with the Al- Sata'ah Modern General Contracting Company, as the Company's management believes that the assets that are supposed to be receives in barter transaction are not material and there is a significant decrease on them as a result of their obsolescence, and accordingly a provision was provided against them at the book value of performance obligations that the company is committed to providing to the other party as the best estimate of the value of losses according to the information available to the Company's management..
- 10) During 2024, an amount of SR 47,866,894 which represents the land of the poultry project and its components was eliminated from the non-current items held for sale along with its related provision as the ownership of this land and everything on it was transferred to Al- Sata'ah Modern General Contracting Company on October 9, 2024.
- 11) The following are the details of the net non-current assets held for sale as a result of the assets exchange agreement with the Al- Sata'ah Modern General Contracting Company.

<u>Description</u>	transferable book value of the performance obligation according to the barter agreement September 30, (SR)	transferable book value of the performance obligation according to the barter agreement December 31, (SR)
Real estate - Taif lands	9,000,000	9,000,000
Investment in Al-Baha national College	17,136,823	17,136,823
Total	26,136,823	26,136,823
Provision for potential losses against non-current assets held for sale (*)	(26,136,823)	(26,136,823)
Net	-	-

(*) The movement on the provision for potential losses was as follows:

	September 30, 2025 (SR)	December 31, 2024 (SR)
Balance at the beginning of the period / year	26,136,823	74,003,717
Used during the period/year	-	(47,866,894)
Balance at the end of the period / year	26,136,823	26,136,823

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9. Zakat

The movement on the Zakat provision during the period ended September 30, 2025/ year ended 31 December was as follows:

	September 30, 2025	December 31, 2024
	(SR)	(SR)
Balance at the beginning of the period / year	2,112,527	5,825,132
Charged during period / year	94,934	93,488
Paid during period / year	(2,112,527)	(3,635,108)
Zakat provision no longer needed	-	(170,985)
Balance at the end of the period / year	<u>94,934</u>	<u>2,112,527</u>

The Zakat status of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company):

- All zakat and tax returns were submitted up to the fiscal year ending on December 31, 2024, and the Company obtained final zakat certificate for the year 2024.
- The final Zakat assessment was made by the Authority for the years from 2014 to 2018 and paid all its Zakat obligations accordingly. For the years 2021, 2022 and 2023, the Authority issued its final assessment stating that no zakat differences were due.
- During the fiscal year ending on 31 December 2021, the company received letters from the Authority requesting additional documents to examine the Zakat and tax returns for the years 2019 and 2020, and the Authority was provided with the required data, and no evaluation was issued against the company in this regard.
- During the financial period ended September 30, 2025, the Authority issued the final assessment for the year 2024, approving the tax returns submitted for that year.
- Subsequent to the quarter ended 30 September 2025, the Company received a letter from the Authority requesting documents related to the Zakat return for the year 2024. The requested documents were provided, and the matter is currently under review by the Authority. No assessment has been issued as of the reporting date.

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10. Share capital

According to the Extraordinary General Assembly Meeting held on December 19, 2024, it was decided to absorb part of the accumulated losses amounting to SAR 78,705,000 by reducing the capital. A total of 787,050,000 shares were canceled at a nominal value of 0.10 per share, with a reduction of one share for every 3.77 shares. All regulatory procedures were completed, including amending the company's articles of association and commercial registration.

The company's capital amounting to SAR 218,295,000 is divided into 2,182,950,000 nominal shares of equal value, each with a nominal value of 0.10 halalas, all of which are ordinary shares. On April 8, 2025, the Extraordinary General Assembly Meeting was held, and it was voted to amend the nominal value of the share to become One Saudi Riyal instead of ten halalas (0.10) per share; accordingly, the number of shares becomes 218,295,000 nominal shares instead of 2,182,950,000 nominal shares. All regulatory procedures were completed, including amending the company's articles of association and commercial registration.

11. Transactions with related parties

The following are the benefits and rewards of the senior management and the Board of Directors of the company during the period ending on :

	September 30, 2025	September 30, 2024
	(SR)	(SR)
Short-term benefits and rewards	680,270	633,265
Long-term benefits	375,940	280,134
Total	1,056,210	913,399

- The debit balance of SR 310,670 due from related party as at September 30, 2025 represents a fund in custody due from the related party Ibrahim Abdullah bin Kulaib (CEO and Vice Chairman of the Board of Directors).
- The outstanding credit balance of SR 3,200,000 is due to the related party Mishal bin Mohammed bin Hassan Mufti (former board member) (Note 1).
- The prices and terms of transactions with related parties have been approved by management.

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12. Basic and diluted earnings (loss) per share to the Company's shareholders

Earnings (Loss) per share is calculated on the basis of the net results of the period attributable to the shareholders of the company divided by the weighted average number of shares issued. The diluted earnings per share is the same as the basic earnings per share since the company does not have dilutive instruments issued during the period.

On April 8, 2025, the Extraordinary General Assembly Meeting was held, and it was voted to amend the nominal value of the share to become One Saudi Riyal instead of ten halalas (0.10) per share; accordingly, the number of shares becomes 218,295,000 nominal shares instead of 2,182,950,000 nominal shares. As a result, the weighted average number of shares was adjusted to 218,295,000 shares. In accordance with the requirements of International Accounting Standard (IAS) 33 – Earnings per Share, the weighted average number of shares has been retrospectively adjusted for all periods presented, as follows:

	For the Three-Month Period		For the Nine-Month Period	
	Ended 30 September		Ended 30 September	
	2025	2024	2025	2024
	(SR)	(SR)	(SR)	(SR)
Net income (loss) for shareholders of the Company	1,963,338	(388,516)	4,860,826	1,765,017

Weighted average number of shares:

Shares issued at the beginning of the period

Weighted average number of shares

	share	share	share	share
Shares issued at the beginning of the period	218,295,000	218,295,000	218,295,000	218,295,000
Weighted average number of shares	218,295,000	218,295,000	218,295,000	218,295,000
	SR/Share	SR/Share	SR/Share	SR/Share
The basic and diluted earnings (loss) per share to shareholders of the company/parent Company	0.0090	(0.0018)	0.0223	0.0081

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13. Segments Information

The following is the significant segment information for the company at the date of the interim condensed financial statements:

	September 30, 2025			December 31, 2024			September 30, 2024
	Total			Total			
	Assets	Liabilities	comprehensive income (loss)	Assets	Liabilities	comprehensive income (loss)	
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)	
Head quarters	22,339,311	18,291,718	(1,473,105)	22,268,447	23,497,347	(4,232,201)	
Rentals	238,842,913	14,976,153	6,333,931	237,867,898	13,585,471	6,896,523	
Total	261,182,224	33,267,871	4,860,826	260,136,345	37,082,818	2,664,322	

- The company offers all its services within a defined economic environment (geographical sector) inside the Kingdom of Saudi Arabia.

14. Lawsuits

A lawsuits filed between Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) and the Al - Sata'ah Modern General Contracting Company, and the details of the case were explained in note (8). In addition, a legal case has been filed by Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) against the former members of the Board of Directors for the term from 10 February 2010 to 9 February 2013, with the Capital Market Authority, demanding joint and several compensations in the amount of SR 100,000,000. The CMA has issued an approval to file the complaint with the Committee for the Resolution of Securities Disputes (CRSD). An additional SAR 15 million has been claimed, representing legal fees.

There are lawsuits filed by the company concerning the branch Elegant Centers Limited regarding rental agreements and related matters, with claims amounting to SR 5,105,365. The company has recognized a provision for related receivables.

There are lawsuits filed by the company concerning the branch Ishraqa Regional Real Estate Development and Investment regarding rents and related matters with claims amounting to SR 4,502,067. The company has recognized a provision for related receivables.

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15. Financial Risk Management

The Company's principal financial liabilities comprise of trade and other payables and due to related party's balance. The main purpose of these financial liabilities is to finance the Company's operations. The Company principal financial assets include cash and cash equivalents, trade and other receivables and due from related parties.

– **Liquidity Risk:**

- Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulties in raising funds to meet its commitments.
- The Company manages liquidity risk by monitoring cash flows and matching them with the maturity dates of its financial assets and liabilities.
- Below are the details of working capital:

	<u>September 30,</u> <u>2025</u>	<u>December</u> <u>31,2024</u>
	(SR)	(SR)
Current assets	7,085,883	3,599,900
Current liabilities	(24,739,806)	(28,137,652)
Net	(17,653,923)	(24,537,752)

- The deficit in working capital amounted to SR 17,653,923 as of September 30, 2025 (SR 24,537,752: as of December 31, 2024). The company's management believes that there are no significant difficulties regarding liquidity to meet the future obligations.

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16. New and Revised International Financial Reporting Standards and Interpretations

a) New and revised IFRSs and interpretations issued that became effective:

The following new and amended IFRS, which became effective for the financial periods commencing on or after 1 January 2025, were followed in the preparation of the Company's financial statements and did not have a material impact on the amounts and disclosures contained in the financial statements in the current period as follows:

IFRS or Interpretation	Description	Effective Date
International Accounting Standard (21)	Lack of Exchangeability	January 1, 2025

b) New and revised IFRSs and interpretations that are not effective yet

The Company did not adopt any of the following new amended standards that were issued but not yet effective:

IFRS or Interpretation	Description	Effective Date
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to: IFRS 1 IFRS 7 IFRS 9 IFRS 10 IAS 7	Annual Improvements to IFRS Standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries Without Public Accountability: Disclosures	January 1, 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional application / Effective date deferred indefinitely
International Financial Reporting Standard (S1)	General Requirements for Disclosure of Sustainability-related Financial Information.	1 January 2024 (Subject to endorsement by relevant regulatory authorities)
International Financial Reporting Standard (S2)	Climate-related disclosures.	

The standards, interpretations, and amendments effective as of January 1, 2025, have no material impact on the Company's financial statements. As for the other standards, interpretations, and amendments mentioned above, the Company is currently assessing their impact on the financial statements upon adoption.

17. Approval of the interim condensed financial statements

The interim condensed financial statements were approved by the Company's Board of Directors on Rabi' al-Thani 29, 1447 (H) corresponding to October 21, 2025 (G).

18. General

The figures in the interim condensed financial statements are rounded to the nearest Saudi riyal.