RED SEA INTERNATIONAL COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AND REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

RED SEA INTERNATIONAL COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Condensed consolidated interim financial statements (unaudited) and report on review of condensed consolidated interim financial statements For the three-month and six-month periods ended 30 June 2026

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Report on review of condensed consolidated interim financial statements

To the shareholders of Red Sea International Company (A Saudi Joint Stock Company)

Introduction
We have reviewed the accompanying condensed consolidated interim statement of financial position of Red Sea International Company (the “Company”) and its subsidiaries (together the “Group”) as at 30 June 2026 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period ended 30 June 2026 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim 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 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, as 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 accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTANTS
Lic No. 323/11/25/1
C.R. 4030289002

Ali A. Alotaibi
License Number 379

18 August 2026

Branch of PricewaterhouseCoopers Public Accountants (professional limited liability company), Jameel square, floor 5
T: +966 (12) 610-4400, F: +966 (12) 610-4411

www.pwc.com

CR. 4030289002, UN No. 7003482481, capital of 500,000 SAR, (main CR. 1010371622, main UN No. 7000928734), national address: 2091 Prince Mohammed Bin Abdulaziz Street, Al Andalus Dist., postal code 23326, secondary number 8909, Jeddah, Kingdom of Saudi Arabia

RED SEA INTERNATIONAL COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Condensed consolidated interim statement of profit or loss

For the three-month and six-month periods ended 30 June 2026

	Note	**For the three-month period ended 30 June**		**For the six-month period ended 30 June**	
		2026	2025*	**2026**	2025*
		SR'000	SR'000	**SR'000**	SR'000
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations					
Revenues	5, 15	**608,046**	779,184	**1,239,269**	1,479,847
Cost of revenues		**(549,570)**	(688,700)	**(1,104,570)**	(1,296,872)
Gross profit		**58,476**	90,484	**134,699**	182,975
Expenses					
General and administration		**(21,580)**	(27,704)	**(51,110)**	(65,162)
Selling and distribution		**(26,401)**	(27,483)	**(52,871)**	(55,069)
Allowance for expected credit losses		**(25,660)**	(11,581)	**(31,428)**	(19,913)
Operating (loss) / profit		**(15,165)**	23,716	**(710)**	42,831
Other income / (expenses), net		**919**	(285)	**(159)**	(167)
Finance costs		**(13,111)**	(6,926)	**(22,723)**	(18,976)
Finance income		**-**	66	**504**	89
(Loss) / profit before zakat and income tax		**(27,357)**	16,571	**(23,088)**	23,777
Income tax	9	**69**	(473)	**(186)**	(907)
Zakat	9	**(5,706)**	(6,658)	**(11,208)**	(13,026)
(Loss) / profit for the period from continuing operations		**(32,994)**	9,440	**(34,482)**	9,844
Discontinued operations					
Loss after zakat and tax for the period from discontinued operations	16	**-**	(3,042)	**(536)**	(7,971)
(Loss) / profit for the period		**(32,994)**	6,398	**(35,018)**	1,873
Attributable to:					
Equity holders of the Parent Company		**(16,858)**	(1,256)	**(14,315)**	(12,483)
Non-controlling interests		**(16,136)**	7,654	**(20,703)**	14,356
		(32,994)	6,398	**(35,018)**	1,873
Loss per share:					
Basic and diluted loss per share attributable to the equity holders of the Parent Company	10	**(0.35)**	(0.04)	**(0.30)**	(0.41)

* Refer to note 19 for details regarding changes to comparative information.

Chairman of the Board	Chief Financial Officer	Chief Executive Officer

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

RED SEA INTERNATIONAL COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Condensed consolidated interim statement of comprehensive income

For the three-month and six-month periods ended 30 June 2026

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
	SR'000	SR'000	**SR'000**	SR'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss) / profit for the period	**(32,994)**	6,398	**(35,018)**	1,873
Other comprehensive income not to be reclassified to the condensed consolidated interim statement of profit or loss in subsequent periods				
Actuarial gain on defined benefit obligations	**-**	583	**4,870**	583
Other comprehensive income that can be reclassified to the condensed consolidated interim statement of profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	**(58)**	-	**(58)**	-
Total comprehensive (loss) / income	**(33,052)**	6,981	**(30,206)**	2,456
Attributable to:				
Equity holders of the Parent Company	**(16,888)**	(959)	**(11,861)**	(12,186)
Non-controlling interests	**(16,164)**	7,940	**(18,345)**	14,642
	(33,052)	6,981	**(30,206)**	2,456

Chairman of the Board | Chief Financial Officer | Chief Executive Officer

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

RED SEA INTERNATIONAL COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Condensed consolidated interim statement of financial position

As at 30 June 2026

	Note	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		**82,886**	92,757
Investment properties		**108,789**	150,570
Goodwill and intangible assets	6	**344,324**	393,138
Right-of-use assets		**28,533**	38,942
Retention receivables	5	**488,742**	406,905
Deferred tax assets		**2,048**	1,763
TOTAL NON-CURRENT ASSETS		**1,055,322**	1,084,075
CURRENT ASSETS			
Inventories		**93,124**	95,337
Contract assets	5.1	**1,086,044**	797,175
Trade receivables	5.1	**314,600**	390,018
Retention receivables - current portion	5.1	**247,429**	286,628
Advances to suppliers		**266,855**	277,977
Prepayments and other receivables		**46,416**	48,320
Cash and cash equivalents	7	**52,823**	61,723
TOTAL CURRENT ASSETS		**2,107,291**	1,957,178
Assets held for sale	16	**-**	5,089
TOTAL ASSETS		**3,162,613**	3,046,342
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	**482,674**	482,674
Share premium		**-**	295,694
Accumulated losses		**(52,745)**	(336,578)
Foreign currency translation reserve		**(11,779)**	(11,779)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**418,150**	430,011
NON-CONTROLLING INTERESTS		**506,103**	502,082
TOTAL EQUITY		**924,253**	932,093
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	13	**181,447**	166,441
Employees' defined benefit liabilities		**98,574**	97,211
Non-current portion of lease liabilities		**12,804**	15,590
Non-current portion of retention payable		**25,797**	22,184
Provisions		**31,675**	30,902
TOTAL NON-CURRENT LIABILITIES		**350,297**	332,328

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

Condensed consolidated interim statement of financial position (continued)
As at 30 June 2026

	Note	**30 June 2026 SR'000 (Unaudited)**	31 December 2025 SR'000 (Audited)
CURRENT LIABILITIES			
Trade payables		**761,525**	770,002
Retention payables - current portion		**23,524**	19,964
Accruals and other current liabilities		**633,800**	528,171
Short-term interest bearing loans and borrowings	13	**262,342**	127,755
Current portion of interest bearing loans and borrowings	13	**99,254**	107,358
Current portion of lease liabilities		**15,036**	25,372
Contract liabilities	5.1	**51,663**	138,550
Zakat and income tax payable	9	**40,919**	39,862
TOTAL CURRENT LIABILITIES		**1,888,063**	1,757,034
Liabilities directly associated with assets held for sale	16	**-**	24,887
TOTAL LIABILITIES		**2,238,360**	2,114,249
TOTAL EQUITY AND LIABILITIES		**3,162,613**	3,046,342

Chairman of the Board	Chief Financial Officer	Chief Executive Officer

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

Condensed consolidated interim statement of changes in equity

For the six-month period ended 30 June 2026

	Attributed to shareholders of the Parent Company						
	Share capital	*Share premium*	*Accumulated losses*	*Foreign currency translation reserve*	*Total*	*Non-controlling interests*	*Total equity*
	SR '000	**SR '000**	**SR '000**	**SR '000**	**SR '000**	**SR '000**	**SR '000**
Balance at 1 January 2025 - *(Unaudited)*	302,344	-	(283,294)	(11,779)	7,271	487,198	494,469
(Loss) / profit for the period	-	-	(12,483)	-	(12,483)	14,356	1,873
Other comprehensive income	-	-	297	-	297	286	583
Total comprehensive (loss) / income	-	-	(12,186)	-	(12,186)	14,642	2,456
Balance at 30 June 2025 - *(Unaudited)*	302,344	-	(295,480)	(11,779)	(4,915)	501,840	496,925
Balance at 1 January 2026 - *(Unaudited)*	**482,674**	**295,694**	**(336,578)**	**(11,779)**	**430,011**	**502,082**	**932,093**
(Loss) /profit for the period	-	-	**(14,315)**	-	**(14,315)**	**(20,703)**	**(35,018)**
Other comprehensive income	-	-	**2,454**	-	**2,454**	**2,358**	**4,812**
Total comprehensive loss	-	-	**(11,861)**	-	**(11,861)**	**(18,345)**	**(30,206)**
Set-off of share premium against accumulated losses (note 8)	-	**(295,694)**	**295,694**	-	-	-	-
Disposal of subsidiary (note 16)	-	-	-	-	-	**22,366**	**22,366**
Balance at 30 June 2026 - *(Unaudited)*	**482,674**	-	**(52,745)**	**(11,779)**	**418,150**	**506,103**	**924,253**

Chairman of the Board

Chief Financial Officer

Chief Executive Officer

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

Condensed consolidated interim statement of cash flows

For the six-month period ended 30 June 2026

		For the six-month period ended 30 June	
	Note	**2026 SR'000 (Unaudited)**	2025 SR'000 (Unaudited)
OPERATING ACTIVITIES			
(Loss) / profit before zakat and income tax from continuing operations		**(23,088)**	23,777
Loss before zakat and income tax from discontinued operations	16	**(536)**	(7,742)
Adjustments to reconcile (loss) / profit before zakat and income tax to net cash flows:			
Depreciation of property, plant and equipment		**13,980**	14,445
Depreciation of investment properties		**10,344**	16,258
Amortization of intangible assets		**48,821**	49,096
Depreciation of right-of-use assets		**11,702**	13,656
Provision for employees' defined benefit liabilities		**15,994**	15,501
Finance costs		**22,727**	22,703
Finance income		**(504)**	(89)
Loss on disposal of a subsidiary		**1,234**	-
(Gain) / loss on disposal of property, plant and equipment and investment properties		**(265)**	381
		100,409	147,986
Working capital adjustments:			
Inventories		**2,213**	5,646
Contract assets		**(288,869)**	(27,499)
Trade receivables		**77,747**	(436,202)
Retention receivables		**(42,638)**	(52,268)
Advances to suppliers		**11,137**	(5,410)
Prepayment and other receivables		**6,544**	27,081
Trade payables		**(21,279)**	169,116
Retention payables		**7,173**	6,812
Accruals and other current liabilities		**98,619**	5,931
Provisions		**4,333**	200
Contract liabilities		**(86,972)**	91,180
Cash used in operations		**(131,583)**	(67,427)
Finance cost paid		**(11,290)**	(15,963)
Employees' defined benefit liabilities paid		**(9,756)**	(2,918)
Zakat and income tax paid		**(11,344)**	(7)
Net cash used in operating activities		**(163,973)**	(86,315)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and investment properties		**(4,146)**	(58,062)
Finance income received		**504**	89
Proceeds from disposal of property, plant and equipment and investment properties		**31,742**	2,494
Cash and cash equivalents in disposed subsidiary		**(121)**	-
Net cash generated from / (used in) investing activities		**27,979**	(55,479)

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

Condensed consolidated interim statement of cash flows (continued)

For the six-month period ended 30 June 2026

	Note	For the six-month period ended 30 June	
		2026	2025
		SR'000	SR'000
		(Unaudited)	(Unaudited)
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		**638,215**	342,708
Repayment of interest bearing loans and borrowings		**(500,008)**	(180,668)
Payment of principal portion of lease liabilities		**(11,259)**	(11,326)
Net cash generated from financing activities		**126,948**	150,714
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(9,046)**	8,920
Cash and cash equivalents at the beginning of the period		**61,869**	26,624
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	**52,823**	35,544
SIGNIFICANT NON-CASH TRANSACTIONS:			
Remeasurement gain on employees' defined benefit liabilities		**4,870**	(583)
Disposal of subsidiary - consideration receivable		**(2,754)**	-
Lease liabilities transferred to other liabilities		**(3,695)**	-
Employees' defined benefit liabilities in disposed subsidiary		**(2,313)**	-
Zakat liability in disposed subsidiary		**(1,007)**	-

Chairman of the Board	Chief Financial Officer	Chief Executive Officer

1 CORPORATE INFORMATION

Red Sea International Company (the "Company") ("Parent Company") ("RSI") and its subsidiaries (collectively the "Group") consist of the Company, a Saudi joint stock company, and its Saudi Arabian and foreign subsidiaries and branches. The Company was registered in Jeddah, Kingdom of Saudi Arabia under commercial registration number 4030286984 pursuant to Ministerial Resolution No. 2532 dated 2 Ramadan 1427H (September 25, 2006). During 2021, the Company changed its registered address to Riyadh, Kingdom of Saudi Arabia and converted a branch commercial registration number 1010566349 into the Company's main commercial registration. The registered address of the Company is P.O. Box 13316, Al Thumamah Road, Ar-Rabie District, Riyadh, Kingdom of Saudi Arabia. The Company has the following branches in the Kingdom of Saudi Arabia:

Branch	*Commercial registration*	*Location*
Red Sea International Company	2055003672	Jubail
Red Sea International Company	2055006105	Jubail
Red Sea International Company	4030286984	Jeddah
Red Sea Housing Services Company	4030263716	Jeddah

The Group is controlled by its Ultimate Parent Company Al Dabbagh Group Holding Company Limited ("ADG"), (including through its subsidiaries), which owns 50.22% (effective holding) of the Company's shares. The Ultimate Parent Company is registered in Jeddah, Kingdom of Saudi Arabia. The following is the list of principal operating subsidiaries and a joint operation included in the Group:

	Country of incorporation	*Effective ownership percentage*	
		30 June 2025 (Unaudited)	*31 December 2025 (Audited)*
Subsidiaries			
The Fundamental Installation for Electric Work Company Limited ("First Fix") (refer Note 1.1)	Saudi Arabia	**51%**	51%
Red Sea Housing Services (Ghana) Limited ("RSG")	Ghana	**100%**	100%
SARL Red Sea Housing Services Algeria Limited ("RSA")	Algeria	**98%**	98%
Red Sea Housing Services Company Dubai FZE ("RSD")	UAE	**100%**	100%
Red Sea Building Materials and Equipments Trading Company ("RSBM")	Saudi Arabia	**100%**	100%
Premier Paints Company ("PPC") (refer Note 16)	Saudi Arabia	**-**	81%
Red Sea Housing Services (Mozambique), LDA ("RSM")	Mozambique	**100%**	100%
Red Sea Housing Services LLC ("RSO")	Oman	**100%**	100%
Red Sea Construction LLC ("RSC")	UAE	**100%**	100%
Joint Operation			
Red Sea Hanchi ("RSHC")	Algeria	**49%**	49%

1 On 9 June 2023, corresponding to 20 Dhul-Qi'dah 1444H, the Company entered into an agreement for the purchase of 51% shares in First Fix, a limited liability company registered in Jeddah, Kingdom of Saudi Arabia. Completion of the acquisition was subject to related regulatory and corporate approval as well as meeting certain conditions under the agreement signed with the partners of First Fix. The Company obtained the related regulatory approval and met the conditions with respect of the acquisition of First Fix. Accordingly, effective 1 October 2023, First Fix was recognised as a subsidiary of the Company. The total purchase consideration for the acquisition of First Fix amounted to SR 644.8 million of which SR 250 million was payable in cash and the balance amounting to SR 394.8 million was payable either in cash or in-kind by way of newly issued shares of the Parent Company. The Parent Company issued its shares during the year ended 31 December 2025 to settle the deferred consideration.

1 CORPORATE INFORMATION (continued)

During the year ended 31 December 2025, the Company announced its intention to conduct an initial public offering ("IPO") for its subsidiary, First Fix. The Board of Directors of the Company approved this significant transaction on 24 June 2025 (corresponding to 28 Dhul-Hijjah 1446H). The Company is not selling any of its shares in First Fix in connection with the IPO.

Further, during the period ended 30 June 2026, the Company concluded the transfer of its shareholding in it's subsidiary Premier Paints Company (PPC). Please refer note 16 of the condensed consolidated interim financial statements for further details.

In addition to the above, the Group owns other subsidiaries, registered in Kuwait, Libya, Nigeria, Saudi Arabia and also has licenses to operate a branch in Abu Dhabi, which are consolidated in these condensed consolidated interim financial statements. These other subsidiaries and branches are either in early stages of operations or have not commenced any commercial operations at the reporting date.

The principal activities of the Group are to purchase land and real estate for the purpose of developing them and to build residential and commercial buildings thereon, and to ultimately sell or lease them. The Group is also involved in construction, general construction, electrical works, power generation, lighting, telecommunications, electronic, fiber optic, information technology, maintenance and repair of electrical installations, and telephone networks. The Group's activities also include manufacturing non-concrete residential units, general contracting, maintenance, construction of utilities and civil work, supply of food, provision of food services and trade of food products. In addition, the Group was also involved in manufacturing and sale of paints and providing related services, which has been discontinued during the period.

The condensed consolidated interim financial statements of the Group for the three-month and six-month periods ended 30 June 2026 were authorised for issuance in accordance with the Board of Directors resolution dated 11 August 2026 (corresponding to 28 Safar 1448H).

2 BASIS OF PREPARATION

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

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025. IAS 34 states that the condensed interim financial statements are intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosures in interim financial statements than International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, require in annual financial statements.

These condensed consolidated interim financial statements are prepared using the historical cost convention.

These condensed consolidated interim financial statements are presented in Saudi Riyals (“SR”). All values are rounded to the nearest thousands (“SR ‘000”), except when otherwise indicated.

2 Going concern basis of accounting

As at 30 June 2026, the accumulated losses of the Group amounted to SR 52.7 million (31 December 2025: SR 332.2 million), representing 10.9% of the Company’s share capital as at that date (31 December 2025: 69.7%). The percentage of accumulated losses to share capital has been reduced during the period on account of set-off of the whole share premium balance amounting to SR 295.7 million against the accumulated losses in accordance with the shareholders' resolution passed in an extraordinary general meeting dated 4 January 2026. The Company has excess of current assets over current liabilities at 30 June 2026 amounting to SR 219.2 million (31 December 2025: SR 180.3 million).Consequently, the Group was in compliance with the covenants related to the current ratio at 30 June 2026 and 31 December 2025 and there were no breaches of the borrowing covenants.

Further, the Group has a robust order backlog and pipeline of projects lined up which is expected to contribute to the Group's profitability in the current year. The current geopolitical condition in the region is not expected to have a direct material impact on the operations of the Group as major operations are based in KSA and has a local supply chain. In addition, the Group maintains adequate standby facilities to support liquidity and provide financial flexibility as needed. During the period, the Group also announced its intention to undertake a rights issue to further strengthen its capital base and is currently progressing with the required filings with Capital Market Authority (CMA) of the Kingdom of Saudi Arabia for approval. Regardless of the outcome of the rights issue, the Group has sufficient facilities in place to effectively support and manage its ongoing operations.

2 BASIS OF PREPARATION (continued)

2 Going concern basis of accounting (continued)

Based on the Group's financial projections and actions as described above, the Group's management has assessed its ability to continue as a going concern and is satisfied that the Group's operations shall continue for the foreseeable future under the normal course of business. Accordingly, these condensed consolidated interim financial statements have been prepared on the going concern basis.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Further, the judgements, estimates, and assumptions have not changed since the year end 31 December 2025.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new amendments effective as of 1 January 2026, as disclosed below.

4.1 New standards, interpretations, and amendments

Certain amendments to existing standards became applicable for the current reporting period. The amendments did not have an impact on the consolidated condensed interim financial statements of the Group and accordingly the Group did not have to change its accounting policies or make any retrospective adjustments.

Title	Key requirements	Effective Date
Classification and Measurement of Financial Instruments-Amendment to IFRS 9 and IFRS 7	These amendments: • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	1-Jan-26
Contracts Referencing Nature-dependent Electricity-Amendment to IFRS 9 and IFRS 7	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.	1-Jan-26

4.2 Accounting standards amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. The standards, interpretations and amendments issued that are relevant to the Group but are not yet effective are disclosed below.

The Group intends to adopt these standards, if applicable, when they become effective. Management is assessing the impact these new pronouncements may have on future financial reporting of the Group.

Title	Key requirements	Effective Date
Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency	These narrow-scope amendments specify the translation procedures for • its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or • it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary	1-Jan-27
IFRS 18 — Presentation and Disclosure in Financial Statements	The new standard on presentation and disclosure in financial statements, requires more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1-Jan-27
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	IFRS 19 specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS. A subsidiary may elect to apply this Standard in its financial statements if it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS.	1-Jan-27

A brief summary of the expected impact of IFRS 18 adoption on the group is summarised below:

a) Structure of the statement of profit or loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.2 Accounting standards amendments issued but not yet effective (continued)

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss and statement of financial position to result from the following:

(i) Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in finance income and finance cost heads respectively. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.

(ii Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs.

(iii Other income / (expenses), net will be reclassified within Operating (loss) / profit

(iv Goodwill / Intangibles will be bifurcated into separate line items in the statement of financial position.

b) Management- defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements together with explanation and reconciliation.

The Group is in process of determining which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period. As per the initial assessment, the Group has not identified any MPMs for the current reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit before zakat and income tax for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

5 REVENUES

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 SR'000 (Unaudited)	2025 SR'000 (Unaudited)	**2026 SR'000 (Unaudited)**	2025 SR'000 (Unaudited)
Revenue from contracts with customers:				
Revenue from construction and general work contracts	**537,993**	641,520	**1,039,357**	1,241,633
Revenue from sale of non-concrete buildings	**6,386**	89,733	**60,292**	149,489
	544,379	731,253	**1,099,649**	1,391,122
Other revenue:				
Facility management and rental revenue from investment properties	**63,667**	47,931	**139,620**	88,725
	608,046	779,184	**1,239,269**	1,479,847
Timing of revenue recognition				
Over time	**677,613**	641,520	**1,178,977**	1,241,633
At a point in time	**6,386**	89,733	**60,292**	149,489
	683,999	731,253	**1,239,269**	1,391,122

5.1 Trade receivables and contract balances

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Trade receivables (a)	**314,600**	390,018
Retention receivables (b)	**736,171**	693,533
Contract assets (c)	**1,086,044**	797,175
Contract liabilities (d)	**51,663**	138,550

(a) The decrease in trade receivables is primarily driven by collection of receivables from customers. There has been no significant change in the credit risk profile of the customers during the six-month period ended 30 June 2026.

(b) The increase in retention receivables is primarily driven by the billings made during the period. There has been no significant change in the credit risk profile of the customers during the six-month period ended 30 June 2026.

(c) Contract assets are initially recognised based on the value of work executed or delivered to the customers. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets as at 30 June 2026 represent balances from customers, with no significant change in the credit risk profile during the six-month period ended 30 June 2026.

At 30 June 2026, SR 50.7 million (31 December 2025: SR 37.4 million) was recognised as provision for allowance for expected credit losses on contract assets.

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Value of work executed in excess of billing	**1,070,713**	797,727
Sale of non-concrete building - work executed pending approval	**43,806**	19,584
Facility management and rental revenue - accrued	**22,228**	17,313
	1,136,747	834,624
Allowance for expected credit losses	**(50,703)**	(37,449)
	1,086,044	797,175

5 REVENUES (continued)

5.1 Trade receivables and contract balances (continued)

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Movements in allowance for expected credit losses are as follows:		
At the beginning of the period / year	**37,449**	33,957
Reclassification	**-**	(7,074)
Provision for the period / year	**13,254**	10,566
	50,703	37,449

As at 30 June 2026, approximately 59%, 68% and 67% of the Group's total trade receivables, retention receivables and contract assets, respectively, were due from a single party, (31 December 2025: approximately 68%, 67% and 67% trade receivables, retention receivables and contract assets, respectively, were due from a single party).

(d) Contract liabilities represent billings in excess of value of work executed for ongoing contracts and advances received from customers with respect to the services to be delivered in the future. Revenue recognised during the period that was included in the opening contract liability balance amounted to SR 86.8 million (2025: SR 346.6 million).

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Customer advances and deposits	**49,698**	90,747
Billings in excess of value of work executed	**1,965**	47,803
	51,663	138,550

The net movement for contract balances is as follows:

	***30 June 2026* SR'000 (Unaudited)**	*31 December 2025* SR'000 (Audited)
Net contract positions at the beginning of the period / year	**658,625**	369,216
Recognized as revenue during the period / year	**1,239,269**	3,374,971
Movement due to cash received and billings during the period / year	**(812,810)**	(3,048,113)
	1,085,084	696,074
Less: allowance for ECL	**(50,703)**	(37,449)
Net contract positions at the end of the period / year	**1,034,381**	658,625
Reported as:		
Contract assets	**1,086,044**	797,175
Contract liabilities	**(51,663)**	(138,550)
	1,034,381	658,625

6 GOODWILL AND INTANGIBLE ASSETS

	Goodwill SR '000	Customer relationships SR '000	Order backlog SR '000	Computer software SR '000	Total SR '000
Cost:					
At 1 January 2025	214,020	174,800	229,400	9,901	628,121
At 31 December 2025 (Audited)	214,020	174,800	229,400	9,901	628,121
Additions	-	-	-	6	6
At 30 June 2026 (Unaudited)	**214,020**	**174,800**	**229,400**	**9,907**	**628,127**
Accumulated amortisation and impairment:					
At 1 January 2025	6,365	33,615	88,231	8,846	137,057
Charge for the year	-	26,892	70,585	449	97,926
At 31 December 2025 (Audited)	6,365	60,507	158,816	9,295	234,983
Charge for the period	-	13,446	35,292	82	48,820
At 30 June 2026 (Unaudited)	**6,365**	**73,953**	**194,108**	**9,377**	**283,803**
Net carrying value					
At 30 June 2026 (Unaudited)	**207,655**	**100,847**	**35,292**	**530**	**344,324**
At 31 December 2025 (Audited)	207,655	114,293	70,584	606	393,138

6 GOODWILL AND INTANGIBLE ASSETS (continued)

Intangible assets include goodwill, customer relationship and orders backlog related to the acquisition of a subsidiary, First Fix during 2023 and assigned with the construction segment.

The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations with the Group being the acquirer and First Fix being the acquiree. The Group completed the purchase price allocation ("PPA") to the net identifiable assets acquired within the measurement period of one year after the date of acquisition in which the Group identified and measured the identifiable assets acquired and liabilities assumed as of the acquisition date in accordance with the requirements of IFRS 3 and recognised a goodwill of SR 207.6 million (Note 17).

7 CASH AND CASH EQUIVALENTS

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Bank balances - current accounts	**49,880**	60,736
Cash in hand	**2,943**	987
	52,823	61,723

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Bank balances - current accounts	**49,880**	60,736
Cash in hand	**2,943**	987
Cash at banks and in hand attributable to discontinued operations (Note 16)	**-**	146
	52,823	61,869

8 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Company as at 30 June 2026 amounted to SR 482,673,830 (31 December 2025: SR 482,673,830) consisting of 48,267,383 shares (31 December 2025: 48,267,383 shares) fully paid and issued shares at a value of SR 10 per share. The share premium balance as at 31 December 2025 was SR 295.7 million which was set off during the period ended 30 June 2026 against the accumulated losses based on the shareholders' resolution passed in an EGM dated 4 January 2026.

9 ZAKAT AND INCOME TAX

a) Zakat

The zakat assessments of the Company and its wholly owned Saudi subsidiaries have been agreed with the Zakat, Tax and Customs Authority ("ZATCA") up to 2010. The zakat declarations until the year 2025 have been filed with the ZATCA.

ZATCA has issued assessments for the years 2014 through 2017 and for the years 2019 and 2020. The assessments for the years 2014, 2019 and 2020 have been finalised without any additional Zakat payment.

For the years 2015 to 2017, the Company has agreed with ZATCA to apply the ministerial resolution no. 1007 which allows the application of the new Zakat regulations issued in 1445H for the years before 1 January 2024. The discussion with ZATCA is still ongoing on the application.

However, the Company maintains sufficient provision in the books to account for any liability arising upon the ultimate resolution of these issued assessments.

The Zakat assessments of the Company and its wholly owned Saudi subsidiaries for the years 2011 to 2013 and for the years 2018 and 2021 to 2025 have not yet been raised by ZATCA.

b) Partially owned subsidiaries

The assessments for the years 2015 to 2018 of First Fix have been agreed with ZATCA. For 2019, ZATCA issued the zakat assessment with the additional liability of SR 0.6 million. First Fix filed an objection against the assessment which was rejected by ZATCA. First Fix after paying SR 0.1 million escalated the said objection to Committee for Resolution of Zakat, Tax, and Customs Violations and Disputes (CRTVD). CRTVD's decision reduced the zakat liability thereby resulting in a refund of SR 0.3 million which will be used to settle upcoming Zakat installments. First Fix has filed the zakat and tax returns for the years from 2020 to 2025 and no assessment have been raised by ZATCA yet.

Management, based on it's best estimate, the management believes that the provision recognised as of 30 June 2026 with respect to the assessments raised is appropriate and no additional provision is required.

9 ZAKAT AND INCOME TAX (continued)

c) *Income tax*

Income tax provision is provided for in accordance with authorities in which the Group's subsidiaries operate outside the Kingdom of Saudi Arabia and for non-Saudi shareholding. Income tax has been computed based on the managements' understanding of the income tax regulations enforced in their respective countries. The income tax regulations are subject to different interpretations, and the assessments to be raised by the tax authorities could be different from the income tax returns filed by the respective company.

Red Sea Housing Services (Ghana) Limited ("RSG")

Income tax assessments have been agreed with the Ghana Revenue Authority ("the GRA") up to the year ended 31 December 2010. RSG received the tax assessment for years from 2011 to 2016 amounting to SR 4.7 million. RSG filed an appeal against this amount and settled SR 1.5 million in 2018, however the assessment is yet to be finalised. RSG is currently under a tax audit for the assesment years 2017-2020 and as of 30 June 2026, the assessments have not been finalised.

10 LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss for the period attributable to the shareholders of the Parent Company by the weighted average number of outstanding shares during the period.

	For the three-month period ended 30 June		**For the six-month period ended 30 June**	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss for the period attributable to the shareholders of the Parent Company (SR '000)	**(16,858)**	(1,256)	**(14,315)**	(12,483)
Adjusted number of outstanding shares during the period (share '000)	**48,267**	30,234	**48,267**	30,234
Basic and diluted loss per share attributable to the shareholders of the Parent Company (SR)	**(0.35)**	(0.04)	**(0.30)**	(0.41)

11 CONTINGENCIES

At the reporting date, the Group had following outstanding bank guarantees and letters of credit issued in the normal course of business.

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Letters of guarantee	**610,912**	576,726
Letters of credit	**80,523**	130,991

In the normal course of business, there are multiple legal cases raised against the Group. Management, supported by external and internal legal advisors, have assessed the possible outcomes of each case, and concluded that any unrecorded exposure arising from such matters is immaterial; and consequently, no additional provision has been recognised in these condensed consolidated interim financial statements.

12 COMMITMENTS

At the reporting date, the Group had commitments of SR 1.74 billion (31 December 2025: SR 1.85 billion) relating to estimated costs for the projects to be delivered in future.

13 INTEREST BEARING LOANS AND BORROWINGS

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Bai Al Ajel Islamic facility (13.1)	**201,142**	200,466
Medium term loans from commercial banks (13.2 and 13.3)	**61,750**	74,594
Short term loans from a financial institution (13.4 and 13.5)	**14,250**	-
Short and Medium term loans from Sukuk facility (13.6)	**27,000**	-
Short term loans from a commercial bank (13.7)	**244,960**	127,755
	549,102	402,815
Less: unamortised transaction costs	**(6,059)**	(1,261)
Total borrowings	**543,043**	401,554

The interest-bearing loans and borrowings are presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2026 SR'000 (Unaudited)	31 December 2025 SR'000 (Audited)
Long-term borrowings	**181,447**	166,441
Current portion of long-term and medium-term borrowings	**99,254**	107,358
Short term borrowings	**262,342**	127,755
	543,043	401,554

13.1 During 2023, the Company entered into a facility agreement of SR 330 million with a local commercial bank, of which SR 300 million is for the acquisition of First Fix (refer Note 17) and SR 30 million is related to other treasury products. These borrowings are denominated in Saudi Riyal. The Company has withdrawn SR 275.5 million of the facility. Total unused credit facilities available to the Group under the facility at 30 June 2026 were SR 24.5 million (31 December 2025: SR 24.5 million) principally representing term loans and letters of credit. The loan is repayable in seven variable installments with the last installment due in 2030. The loan bears finance costs based on Saudi inter-bank offered rates (SAIBOR) plus fixed margin of 2.5% and due in semi-annual basis. The borrowing is secured by pledge of the Company’s shares in First Fix, promissory note issued by the Company, assignment of contract proceeds and pledge of shares of a sister company by a related party. There are no financial covenants required to be met as part of this borrowing agreement.

13.2 The Group obtained various short-term facilities from a local commercial bank in the prior years. In May 2023, the short-term facilities were rescheduled to a medium-term loan of SR 76 million by the bank, which is repayable in 16 equal quarterly installments of SR 4.75 million each with the last instalment due in March 2027. Therefore, SR 19 million is current portion and SR 2.75 million is non-current portion at 30 June 2026. The loan bears finance cost based on SAIBOR plus a fixed margin of 3%. The facilities are secured by order note signed by the Group. These borrowings are denominated in Saudi Riyal. The facility agreement contains the following financial covenants to be met on consolidated basis:

- Minimum current ratio to be maintained at 1:1.
- Maximum leverage ratio to be 2.5:1.

The Group was in compliance with the above covenants as of 30 June 2026 and 31 December 2025 and hence there was no breach of borrowing covenants.

13 INTEREST BEARING LOANS AND BORROWINGS (continued)

13.3 Medium-term borrowings represent loans obtained from a local commercial bank and bear financial charges at SAIBOR plus fixed margin of 1%. These borrowings are denominated in Saudi Riyal. The borrowings are secured by promissory notes and assignment of contract proceeds. The facility agreement contains the following financial covenants to be met on consolidated basis:

- Minimum tangible net worth 150 million.
- Maximum gearing ratio to be 3:1.

The Group was in compliance with the above covenants as of 30 June 2026 and 31 December 2025 and hence there was no breach of borrowing covenants.

13.4 The Group obtained short term borrowing from a financial institution which bears financial charges at fixed rate of 15%. These borrowings are denominated in Saudi Riyal. The short-term borrowings are secured by promissory notes.

13.5 During the period, the Group obtained Murabaha Sukuk based borrowing from a financial institution which bears financial charges at fixed rate of 13.5%. These borrowings are denominated in Saudi Riyal. There are no financial covenants required to be met as part of this borrowing agreement.

13.6 During the period, the Group obtained Murabaha Sukuk facility amounting to SR 300 million out of which SR 150 million will be excercised and have drawn SR 27 million against that facility. Total unused facility available to the Group as at 30 June 2026 were SAR 123 million (31 December 2025: Nil). The principal is repayable at the maturity date of the loan out of which SR 7 million is of short-term nature, i.e. payable within one year and the remaining balance is of medium-term nature payable within 2 years. These borrowings are denominated in Saudi Riyal. The borrowings bears financial charges at a rate ranging from 13.8% to 14%. There are no financial covenants required to be met as part of this borrowing agreement.

13.7 As of 30 June 2026, a subsidiary has entered into agreements with local commercial banks to provide financing facilities amounting to a total of SR 1.75 billion, including SR 363 million for letters of credit, SR 575 million for guarantees, SR 762 million for general working capital, and SR 50 million for payroll financing which is a revolving facility repayable within 60 days from the date of drawing the facility. The facilities are subject to certain financial covenants that are required to be maintained at the subsidiary level and it has not breached any of the financial covenants. The facilities are secured by promissory notes provided by the Group. As of 30 June 2026, the subsidiary has outstanding short-term borrowings of SR 245 million consisting of SR 50 million for payroll financing, SR 44.9 million for working capital requirements and SR 150.1 million letters of credit post finance. The overall current market interest rates charged on these facilities during the year ranged from 8.3% to 9%. The total unutilised credit facilities available to the subsidiary as at 30 June 2026, amounts to SR 775 million (31 December 2025:SR 572 million) representing SR 228 million for letters of credit and guarantees, and SR 547 million for general working capital.

14 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the Ultimate Parent Company, directors and key management personnel of the Group, and entities controlled by such parties or significantly influenced by parties with control over the Group (other related parties).

Related parties principally comprise Al Dabbagh Group Holding Company Limited and its related entities (collectively, the "Dabbagh Group"), being the majority shareholder of the Parent Company.

MSB Holding Company and its group entities were identified as related parties in November 2025, following the issuance of shares by the Parent Company to MSB Holding Company as part of a debt-to-equity conversion, which resulted in MSB Holding Company exercising significant influence over the Group. However, during the period ended 30 June 2026, MSB Holding Company disposed of the majority of the shares allotted to it in the open market and, accordingly, ceased to have significant influence over the Group. As a result, MSB Holding Company, its subsidiaries and affiliates are no longer considered related parties, and accordingly, their balances and transactions for the current period are presented as n/a.

The Group in the normal course of business carries out transactions with various related parties. Amounts due from/to related parties are shown under accounts receivable and account payable, respectively. Pricing policies and terms of these transactions are approved by the Board of Directors/ Group's management. Amounts due from and due to related parties are unsecured and settled in cash between the parties.

Name of related party	*Nature of relationship*
Al Dabbagh Group Holding Company Limited	Ultimate parent company

Name of related party	Nature of transactions	**For the six-month period ended 30 June**	
		2026	2025
		SR'000	SR'000
		(Unaudited)	(Unaudited)
Al Dabbagh Group Holding Company Limited	Interest free funds received	**16,750**	7,000
	Expenses paid on behalf of the Company	**186**	212

Remuneration and compensation for members of Board of Directors and Executives are as follows:

	Key Management Personnel			
	Members of the Board of Directors		**Executives**	
	For the six-month period ended 30 June			
	2026	2025	**2026**	2025
	SR'000	SR'000	**SR'000**	SR'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries and benefits - short term	-	-	**8,005**	4,193
Employees' end-of-service benefits - long term	-	-	**435**	151
Board of directors' remuneration - short term	**2,522**	1,459	-	-
	2,522	1,459	**8,440**	4,344

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

14.1 The breakdown of the amounts due from and due to related parties are as follows:

Amount due from related parties presented under trade receivables and retention receivables:

	30 June 2026 SR'000 (Unaudited)	*31 December 2025 SR'000 (Audited)*
Modern Building Leaders Company	**n/a**	743,612
The Innovative Facility Management & Services	**n/a**	3,310
	-	746,922

Amount due from related parties presented under prepayments and other receivables and advance to suppliers:

	30 June 2026 SR'000 (Unaudited)	*31 December 2025 SR'000 (Audited)*
Signals Control for Communication & Technology	**n/a**	11,523
The Innovative Facility Management & Services	**n/a**	1,738
Modern Building Leaders Company	**n/a**	388
Al-Tahseen International Company Limited	**n/a**	743
	-	14,392

Related party balances presented under contract assets:

	30 June 2026 SR'000 (Unaudited)	*31 December 2025 SR'000 (Audited)*
Modern Building Leaders Company	**n/a**	537,447
The Innovative Facility Management & Services	**n/a**	5,760
	-	543,207

Related party balances presented under contract liabilities:

	30 June 2026 SR'000 (Unaudited)	*31 December 2025 SR'000 (Audited)*
Modern Building Leaders Company	**n/a**	116,650
The Innovative Facility Management & Services	**n/a**	454
	-	117,104

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Amount due to related parties presented under trade payables and retention payables:

	30 June 2026	*31 December 2025*
	SR'000 (Unaudited)	*SR'000 (Audited)*
Al Dabbagh Group Holding Company Limited	**46,291**	29,354
Rock Solid Group	**n/a**	11,844
Al-Tahseen International Company Limited	**n/a**	4,223
MSB Holding Company	**n/a**	3,095
Signals Control for communication & Technology	**n/a**	5,339
Al Rahala International Travel & Tourism Co.	**n/a**	157
	46,291	54,012

Pricing policies and terms of payments of transactions with related parties are based on mutually agreed terms and are approved by the Board of Directors/management. Outstanding balances at the period-end are unsecured, interest free and to be settled in cash.

15 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following reportable segments:

- Construction, general construction, electrical works, telecommunications and other related contracts (“General construction");
- Manufacturing and sale of non-concrete residential and commercial buildings ("Non-concrete residential and commercial buildings") in the Kingdom of Saudi Arabia and United Arab Emirates; and
- Facility management and rentals of investment properties.

The Group has determined that the CEO serves as the Chief Operating Decision Maker ("CODM") as he is primarily responsible for assessing the performance and allocating resources. The CEO uses a measure of profit before zakat and income tax to assess the performance of the operating segments.

15 SEGMENTAL INFORMATION (continued)

The following table presents segment information for the Group's operating segments for the six-month period ended 30 June 2026 and 2025, respectively:

Business segments

	For the six-month period ended 30 June 2026					For the six-month period ended 30 June 2025				
	General construction	**Non-concrete residential and commercial buildings**		**Facility management and rental of investment properties**	**Total segments**	General construction	Non-concrete residential and commercial buildings		Facility management and rental of investment properties	Total segments
		KSA	**UAE**				KSA	UAE		
	Unaudited (SR'000)					Unaudited (SR'000)				
Revenue:										
Total segment revenue	**1,039,357**	**56,156**	**5,316**	**139,619**	**1,240,448**	1,241,633	141,181	14,997	88,725	1,486,536
Intersegment revenue elimination	**-**	**-**	**(1,180)**	**-**	**(1,180)**	-	-	(6,689)	-	(6,689)
Revenue from external customers	**1,039,357**	**56,156**	**4,136**	**139,619**	**1,239,268**	1,241,633	141,181	8,308	88,725	1,479,847
Timing of revenue recognition:										
At a point in time	**-**	**56,156**	**4,136**	**-**	**60,292**	-	141,181	8,308	-	149,489
Over time	**1,039,357**	**-**	**-**	**139,619**	**1,178,976**	1,241,633	-	-	88,725	1,330,358
	1,039,357	**56,156**	**4,136**	**139,619**	**1,239,268**	1,241,633	141,181	8,308	88,725	1,479,847
Finance costs	**(9,314)**	**(421)**	**(285)**	**(1,181)**	**(12,382)**	(2,389)	(7,798)	(511)	(200)	(10,898)
Segment profit/ (loss)	**(42,040)**	**(1,763)**	**(3,961)**	**43,033**	**(4,731)**	32,399	150	(11,363)	14,781	35,967
Unallocated expenses:										
Corporate and others					**(17,831)**					(15,091)
Finance costs on Bai Al Ajel Islamic facility (Note 13.1)					**(11,519)**					(8,032)
Profit before zakat and tax from continuing operations					**(34,081)**					12,844
Zakat					**(401)**					(3,000)
Profit / (loss) after zakat and tax from continuing operations					**(34,482)**					9,844
Loss after zakat and tax for the period from discontinued operations					**(536)**					(7,971)
(Loss) / profit for the period					**(35,018)**					1,873

During the six-month period ended 30 June 2026, approximately 82% of the total revenues from the general construction segment were derived from 3 customers including a customer, MBL, that alone contributed to approximately 68% of the total revenues from the general construction segment (30 June 2025: approximately 93% from 3 customers including MBL, which contributed approximately 67%). During the six-month period ended 30 June 2026, approximately 86% of the total revenues from non-concrete residential and commercial buildings segment were derived from 1 customer (30 June 2025: approximately 64% from 1 customer). During the six-month period ended 30 June 2026, approximately 70% of the total revenues from facility management and rental of investment properties segment were derived from 5 customers (30 June 2025: approximately 51% from 5 customers).

15 SEGMENTAL INFORMATION (continued)

The Group's operations are conducted in Saudi Arabia, UAE and certain other locations. The following tables present revenue information for the Group's geographical locations for the six-month period ended 30 June 2026 and 2025.

	For the six-month period ended 30 June 2026			
	Saudi Arabia	UAE	Others	Total
	Unaudited (SR '000)			
Total geographical revenue	**1,234,887**	**5,371**	**191**	**1,240,449**
Inter-geographic revenue elimination	**-**	**(1,180)**	**-**	**(1,180)**
Revenue from external customers	**1,234,887**	**4,191**	**191**	**1,239,269**

	For the six-month period ended 30 June 2025			
	Saudi Arabia	UAE	Others	Total
	Unaudited (SR '000)			
Total geographical revenue	1,471,348	14,997	191	1,486,536
Inter-geographic revenue elimination	-	(6,689)	-	(6,689)
Revenue from external customers	1,471,348	8,308	191	1,479,847

16 DISCONTINUED OPERATIONS

During 2023, the Board of Directors of the Company formalized the plan to exit the paints and related service business segment of the Group (Premier Paints Company ("PPC")). Management evaluated letters of intent and a potential buyer was identified and negotiations were at advance stage, accordingly, PPC was classified as a disposal group held for sale and as a discontinued operation as of 31 December 2023.With PPC being classified as discontinued operations, the paints and related services segment was no longer presented in the segment note.

On 8th February 2026, the entire shareholding in PPC was transferred to the buyer and the subsidiary was derecognized in these condensed consolidated interim financial statements. The final consideration receivable is subject to adjustments based on the "closing accounts" as of the date of share transfer in accordance with the mechanism specified in the agreement executed between the parties. As at the reporting date, the closing accounts are being reviewed between the buyer and the Parent Company. A consideration receivable of SR 2.7 million has been recorded based on the closing accounts, which results in a loss on disposal of SR 1.2 million. All the net assets/liabilities amounting to SR 18.4 million and the non-controlling interest in PPC amounting to SR 22.4 million have been derecognized in these condensed consolidated interim financial statements. The results of PPC up to the date of share transfer and for the six-month period ended 30 June 2025 , respectively, are presented below:

	For the period from 1 January 2026 to 8 February 2026	**For the six-month period ended 30 June 2025**
	SR'000	SR'000
	(Unaudited)	(Unaudited)
Revenues	**135**	343
Cost of revenues	**(362)**	(2,466)
General and administration	**(199)**	(782)
Selling and distribution	**(106)**	(1,110)
Operating loss	**(532)**	(4,015)
Finance costs	**(4)**	(3,727)
Loss before zakat and income tax	**(536)**	(7,742)
Zakat and income tax	**-**	(229)
Loss after zakat and income tax	**(536)**	(7,971)
Total comprehensive loss from discontinued operation	**(536)**	(7,971)

16 DISCONTINUED OPERATIONS (continued)

The assets and liabilities of PPC classified as held for sale are as follows:

	30 June 2026 SR '000 (Unaudited)	31 December 2025 SR '000 (Audited)
Assets		
Property, plant and equipment	-	123
Right-of-use assets	-	590
Inventories	-	-
Trade receivables	-	2,329
Advances to suppliers	-	15
Prepayments and other receivables	-	1,886
Cash and cash equivalents	-	146
Assets held for sale	-	5,089
Liabilities		
Employees' defined benefit liabilities	-	(2,285)
Non-current portion of lease liabilities	-	(649)
Trade payables	-	(12,802)
Accruals and other current liabilities	-	(8,017)
Contract liabilities	-	(85)
Lease liabilities	-	(42)
Zakat and income tax payable	-	(1,007)
Liabilities directly associated with assets held for sale	-	(24,887)
Net liabilities directly associated with disposal group	-	(19,798)

	For the period from 1 January 2026 to 8 February 2026 SR'000 (Unaudited)	**For the six-month period ended 30 June 2025** SR'000 (Unaudited)
Loss per share from discontinued operations:		
Basic and diluted loss per share attributable to the equity holders of the Parent Company	**(0.01)**	(0.21)

17 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of Fundamental Installation for Electric Work Company Limited ("First Fix")

As reported in prior periods, the Company entered into a share purchase agreement (SPA) on 9 June 2023, corresponding to 20 Thul-Qi'dah 1444H, for the acquisition of 51% shareholding in The Fundamental Installation for Electric Work Company Limited ("First Fix"), a limited liability company registered in Jeddah, Kingdom of Saudi Arabia. The effective date of the acquisition was 1 October 2023 and First Fix has been consolidated as a subsidiary from that date. The total purchase consideration for the acquisition of First Fix amounted to SR 644.8 million of which SR 250 million was payable in cash and the balance amounting to SR 394.8 million is payable either in cash or in-kind by way of newly issued shares of the Parent Company within a pre-determined period.

As further reported in prior periods, the Group finalised the purchase price allocation (PPA) during FY 2024 in accordance with the requirements of IFRS 3, Business Combinations at which point the following adjustments to the book value of net assets were recorded by the Group:

- Identified other intangible assets with defined useful lives amounting to SR 404.2 million;
- Decrease of goodwill by SR 206.1 million; and
- Increase of non-controlling interest by SR 198.1 million.

Further, on the effective date of the acquisition, 1 October 2023, RSI and the shareholders of First Fix (Original Shareholders) entered into a shareholder's agreement (SHA). The SHA included put and call options in relation to the non-controlling interest in the subsidiary that were exercisable subject to certain terms and conditions to be met over a period of time. In accordance with the requirements of International Accounting Standard 32 "Financial instruments: Presentation" as endorsed in the Kingdom of Saudi Arabia, the Group should have recognised a financial liability at the date of the acquisition of First Fix measured at the present value of the estimated redemption amount at the option exercise date. The consequent charges arising on the unwinding of the discount of the liability together with any remeasurements that might have been required for the six-month period ended 30 June 2025, should have been recognised.

On 9 April 2025, the Company and the Original Shareholders entered into an agreement that terminated the put and call options, and accordingly, no liability exists from that date onwards. Further, the impact on comparative information in the condensed consolidated interim statement of profit or loss, and condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2025, as a result of the unwinding of the option liability had the original liability being recognised, is considered immaterial.

During the year 2025, the deferred consideration of SR 394.8 million was settled by converting the amount into equity.

18 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value measurement methodology used by the Group is in line with the annual consolidated financial statements for the year ended 31 December 2025. There were no transfers between Level I, Level II or Level III for the six-month period ended 30 June 2026.

The fair values of the Group's current financial instruments are estimated to approximate their carrying values since the financial instruments are short-term in nature, and are expected to be realised at their current carrying values within twelve months from the date of condensed consolidation interim statement of financial position. The fair values of the non-current financial instruments are estimated to approximate their carrying values as these carry market interest rates.

19 RESTATEMENTS OF COMPARATIVE INFORMATION

As part of management's financial statement review process, an adjustment was identified to align with the principles of IAS 1, "Presentation of financial statements". Management has adjusted the comparative amounts for the following item:

Amortisation expense of the customer relationship and order backlog intangible assets amounting to SR 48.8 million should have been presented within "selling and distribution expenses" instead of within "general and administrative expenses" in the consolidated statement of profit or loss in line with the function of such cost which relates to obtaining sales contracts and relationships with customers.

The tables below summarises the impact on the comparative period as a result of the adjustment described above:

Effect on the condensed consolidated interim statement of profit or loss for the six month period ended 30 June 2025

	Previous presentation	*Adjustment*	*Current presentation*
	SR'000	SR'000	SR'000
Selling and distribution	(6,331)	(48,738)	(55,069)
General and administration	(113,900)	48,738	(65,162)

Effect on the condensed consolidated interim statement of profit or loss for the three month period ended 30 June 2025

	Previous presentation	*Adjustment*	*Current presentation*
	SR'000	SR'000	SR'000
Selling and distribution	(3,114)	(24,369)	(27,483)
General and administration	(52,073)	24,369	(27,704)

20 SUBSEQUENT EVENTS

In the opinion of the Group's management, there have been no further subsequent events since 30 June 2026 that would have a material impact on these condensed consolidated interim financial statements.