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SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
PERIOD ENDED 31 MARCH 2025

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Index	Page
Independent auditor's report on the consolidated financial statements	1-2
Interim condensed consolidated statement of financial position (unaudited)	3
Interim condensed consolidated statement of profit or loss (unaudited)	4
Interim condensed consolidated statement of other comprehensive income (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6
Interim condensed consolidated statement of cash flows (unaudited)	7
Notes to the Interim condensed consolidated financial statements (unaudited)	8 – 15

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Independent Auditor's review report on the interim condensed consolidated financial statements**(1/2)**

**To the Shareholders of
Saudi Real Estate Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Real Estate Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (together "the Group") as at March 31, 2025, and the related interim condensed statements of profit or loss and other comprehensive income, the interim condensed changes in equity and the interim condensed cash flows for three months then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34) - "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim-condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements 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 in 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 the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matters

We draw attention to note (6-A) to the interim condensed consolidated financial statements for the period ended March 31, 2025, as stated therein, certain land parcels owned by the Company are currently not available for use or development due to various reasons, of which certain reasons relate to the areas where these lands are located and other related to the fact that they are under study from specialized committees to resolve these matters. The management is currently communicating with the related government agencies and committees to address these reasons to allow the use of these lands. The impact on the net recoverable value of these lands is still uncertain and depends on the final results of the study by the assigned committees. The carrying value of these lands amounted to SR 438 million as of March 31, 2025 (December 31, 2024: SR 438 million).

Independent Auditor's review report on the interim condensed consolidated financial statements (Continued)**(2/2)**

To the shareholders of
Saudi Real Estate Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Emphasis of Matters (Continued)

Also We draw attention to note (6-B) to the interim condensed consolidated financial statements for the period ended March 31, 2025, as stated therein, it has come to management's attention that the land which was designated for the Al Widyah project is located within an area that is currently under study by the relevant government agencies with the aim of developing it, which may result into a substantial change to the original project's plan and may impact the land's recoverable value. The effect of the extent of this study remains uncertain and is dependent on finalizing the study and future development by the government agencies' plan. The carrying value of the land as at March 31, 2025, amounted to SR. 2.9 billion (December 31, 2024: SR 2.9 billion).

No modified conclusion was expressed in relation to the two matters referred to in the Emphasis of Matters paragraph above.

Riyadh: May 14, 2025
Dhu al-Qi'dah 16, 1446H

**FOR EL SAYED EL AYOUTY & CO.**

Abdullah Ahmad Balamash
Certified Public Accountant
License No. (345)

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Interim condensed consolidated of financial position as of 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Notes	31March 2025 (Unaudited)	31December 2024 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net		31,657	28,602
Investments properties, net	6	5,553,295	5,538,691
Intangible assets, net		6,697	7,370
Investment in associates	5	362,110	298,792
Investment in a joint venture		20,774	13,481
Investments in equity instruments designated at FVOCI		478,757	415,322
Right-of-use assets		204,244	210,708
Developed properties, non-current portion	7	292,972	381,269
TOTAL NON-CURRENT ASSETS		6,950,506	6,894,235
CURRENT ASSETS			
Developed properties	7	323,300	267,327
Trade receivables, net		227,444	530,684
Prepaid expenses and other receivables, net		502,799	348,432
Short-term bank deposits		-	300,000
Inventories		13,430	11,638
Cash and cash equivalents		1,341,035	1,076,758
TOTAL CURRENT ASSETS		2,408,008	2,534,839
TOTAL ASSETS		9,358,514	9,429,074
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	3,750,000	3,750,000
Share premium		222,700	222,700
Statutory reserve		720,000	720,000
Contractual reserve		10,051	10,051
Other reserves		191,912	128,477
Retained earnings		282,988	147,815
Equity attributable to shareholders of the parent company		5,177,651	4,979,043
Non-controlling interests		245,621	203,733
TOTAL EQUITY		5,423,272	5,182,776
NON-CURRENT LIABILITIES			
Term loan	9	2,068,462	2,068,462
Loan from Ministry of Finance, non - current portion	11	673,097	758,051
Employees' defined benefit obligations		49,205	42,250
Lease liabilities, non - current portion		239,139	226,548
TOTAL NON-CURRENT LIABILITIES		3,029,903	3,095,311
CURRENT LIABILITIES			
Trade payables		151,816	188,435
Accrued expenses and other payables		459,990	525,877
Unearned revenue		76,374	87,781
Loan from Ministry of Finance, current portion	11	163,373	156,838
Short-term bank loan	10	-	100,000
Lease liabilities, current portion		13,757	13,701
Zakat provision	12	40,029	78,355
TOTAL CURRENT LIABILITIES		905,339	1,150,987
TOTAL LIABILITIES		3,935,242	4,246,298
TOTAL LIABILITIES AND EQUITY		9,358,514	9,429,074



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (17) form an integral part of these interim condensed consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Note	For the three-months period ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
Revenue		628,075	427,578
Cost of revenue		(318,383)	(298,502)
GROSS INCOME		309,692	129,076
Selling and marketing expenses		(15,958)	(7,596)
General and administration expenses		(50,370)	(43,712)
OPERATING INCOME		243,364	77,768
Share of profit of associates	5	1,938	2,082
Share of profit of a joint venture		7,293	979
Other income		7,202	17,367
Financial charges		(65,514)	(65,599)
INCOME BEFORE ZAKAT		194,283	32,597
Zakat	12	(17,222)	(8,175)
INCOME FOR THE PERIOD		177,061	24,422
ATTRIBUTABLE TO:			
Shareholders of the parent company		135,173	2,918
Non-controlling interest		41,888	21,504
		177,061	24,422
Basic and diluted earnings per share of net Income for the period attributable to shareholders of the parent company (in Saudi Riyals)	13	0.36	0.01


Chief Financial Officer


Acting Chief Executive Officer


Chairman

The accompanying notes from (1) to (17) form an integral part of these interim condensed consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Interim condensed consolidated statement of other comprehensive income for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	For the three-months period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
INCOME FOR THE PERIOD	177,061	24,422
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net change in fair value of investments in equity instruments designated at FVOCI	63,435	27,226
Other comprehensive income for the period	63,435	27,226
Total comprehensive income for the period	240,496	51,648
Total comprehensive income Attributable to:		
Shareholders of the parent company	198,608	30,144
Non-controlling interest	41,888	21,504
	240,496	51,648



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (17) form an integral part of these interim condensed consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Interim condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Attributable to Shareholders of the parent company								
	Share capital	Share Premium	Statutory Reserve	Contractual Reserve	Other reserves	Accumulated Losses	Total	Non-controlling	Total equity
As at 1 January 2024 (Audited)	3,750,000	222,700	720,000	10,051	113,276	(67,248)	4,748,779	134,016	4,882,795
Net income for the period	-	-	-	-	-	2,918	2,918	21,504	24,422
Other comprehensive income	-	-	-	-	27,226	-	27,226	-	27,226
Total comprehensive income for the period	-	-	-	-	27,226	2,918	30,144	21,504	51,648
As of 31 March 2024 (unaudited)	3,750,000	222,700	720,000	10,051	140,502	(64,330)	4,778,923	155,520	4,934,443
	Attributable to equity holders of the parent company								
	Share capital	Share Premium	Statutory Reserve	Contractual Reserve	Other reserves	Retained earnings	Total	Non-controlling	Total
As at 1 January 2025 (Audited)	3,750,000	222,700	720,000	10,051	128,477	147,815	4,979,043	203,733	5,182,776
Net income for the period	-	-	-	-	-	135,173	135,173	41,888	177,061
Other comprehensive income	-	-	-	-	63,435	-	63,435	-	63,435
Total comprehensive income for the period	-	-	-	-	63,435	135,173	198,608	41,888	240,496
As of 31 March 2025 (unaudited)	3,750,000	222,700	720,000	10,051	191,912	282,988	5,177,651	245,621	5,423,272



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (17) form an integral part of these interim condensed consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Interim condensed consolidated statement of cash flows for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	For the three-months period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities:		
Income before zakat	194,283	32,597
Adjustments to reconcile income before zakat to net cash flows generated from operating activities:		
Depreciation of properties, equipment, investment properties and right-of-use assets	22,563	15,790
Amortisation of intangibles assets	673	1,204
Finance charge	65,514	65,599
Provision of employees' defined benefit obligations	7,485	7,507
Gains on disposal of investments properties	(129,310)	-
Share in profit of associates	(1,938)	(2,082)
Share in profit of a joint venture	(7,293)	(979)
	151,977	119,636
Adjustments in working capital:		
Trade receivables	303,240	48,728
Prepayments and other receivables	(154,367)	(59,117)
Inventories	(1,792)	8
Developed properties	32,324	(44,186)
Trade payables	(36,619)	14,908
Accruals and other credit balance	(2,976)	99,779
Unearned revenue	(11,407)	(14,523)
	280,380	165,233
Employees' defined benefit obligations paid	(530)	(6,178)
Finance charge paid	(114,202)	(40,948)
Zakat paid	(55,548)	(8,315)
Net cash flows generated from operating activities	110,100	109,792
Investing activities:		
Proceeds from short-term deposits	300,000	-
Proceeds from disposal of investments properties	160,930	-
Payments of investment in associates	(43,914)	-
Payments for the purchase of property, plant, equipment, and investments properties	(82,844)	(15,451)
Net cash flows generated from / (used in) investing activities	334,172	(15,451)
Financing activities:		
Payment made to meet the Group's obligations against asset lease	(1,576)	-
Amounts paid for loans from banks and the Ministry of Finance loan	(178,419)	(71,884)
Net cash flows used in financing activities	(179,995)	(71,884)
Increase in cash and cash equivalents	264,277	22,457
Cash and cash equivalents at the beginning of the period	1,076,758	837,669
Cash and cash equivalents at the end of the period	1,341,035	860,126



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (17) form an integral part of these interim condensed consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

1. GROUP INFORMATION

Saudi Real Estate Company (the "Company" or the "Parent Company") is a Saudi Joint Stock Company, whose shares are publicly traded on the Saudi Stock Exchange. The Company was established pursuant to Royal Decree number M/58 dated 17 Rajab 1396H (corresponding to 15 July 1976), registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010012539 dated 17 Jumada al-Akhir 1397H (corresponding to 4 June 1977). The Company's head office address is Olaya Road, P.O. Box 3572, Riyadh 11481, Kingdom of Saudi Arabia.

The Company is licensed to engage in the activities of buying and selling land and real estate, subdividing them, conducting off-plan sales, as well as managing and leasing residential and non-residential properties, whether owned or rented.

The major shareholder of the Parent Company is the Public Investments Fund (PIF) which owns 64.58% of the Company's shares, while the remaining shares, which represent 35.42%, are owned by several shareholders with less than 5% ownership.

The company follows the Gregorian calendar as its fiscal year so that the fiscal year begins on 1 January and ends on 31 December of the same year.

These interim condensed consolidated financial statements have been prepared to cover the first quarter of the fiscal year ending on 31 December 2025. The interim condensed consolidated financial statements should be read in conjunction with the last annual consolidated financial statements of the Group, the fiscal year ending on 31 December 2024.

The interim condensed consolidated financial statements include the accounts of the parent company and the following subsidiaries, which are fully incorporated and operate in the Kingdom of Saudi Arabia:

<u>Name</u>	<u>Principal activities</u>	<u>Year of incorporation</u>	<u>Ownership percentage</u>	
			<u>31 March 2025</u>	<u>31 December 2024</u>
Saudi Real Estate Construction Company (A)	Constructions & maintenance	2016	100%	100%
Saudi Real Estate Infrastructure Company (B)	Constructions & maintenance	2017	60%	60%
Saudi Korean Company for Maintenance and Properties Management (C)	Maintenance and operation	2017	60%	60%
Al Widyen Saudi Real Estate Company (D)	Developing Al Widyen project	2018	100%	100%
Alinma Alakaria Real Estate Fund (E)	Development of real estate	2019	100%	100%
Hodood Real Estate Investment Company (F)	Not commenced its activities	2022	100%	100%

(A) Saudi Real Estate Construction Company is a closed joint stock company registered in the Kingdom of Saudi Arabia under commercial registration number 1010466367 dated 15 Rabi Al Awal 1438H (corresponding to 14 December 2016). The Company is engaged in buildings construction and maintenance, construction projects management, detailed engineering designing, purchasing materials and executing the projects.

(B) Saudi Real Estate Infrastructure Company is a closed joint stock company registered in the Kingdom of Saudi Arabia under commercial registration number 1010469561 dated 6 Rajab 1438H (corresponding to 3 April 2017). The Company is engaged in road, bridge, and tunnel works, earthworks, and construction, extension, cleaning, maintenance and operation of water, sewerage and drainage networks. Also, construction, extension, and maintenance of distribution networks and stations for electrical power and gas, and telecommunication networks and communication towers, construction and maintenance of public parks and irrigation systems, dam construction and maintenance and sale of ready-mix concrete.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

1. GROUP INFORMATION (CONTINUED)

(C) Saudi Korean Company for Maintenance and Properties Management is a mixed liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1010612687 dated 11 Safar 1439H (corresponding to 31 October 2017). The Company is engaged in operation and maintenance of buildings in accordance with the license issued from the General Investment Authority number (10214381076997) dated 29 Shawwal 1438 (corresponding to 23 July 2017).

(D) Al Widyah Saudi Real Estate Company is a closed joint stock company sole owner registered in the Kingdom of Saudi Arabia under commercial registration number 1010455071 dated 16 Dhul Qi'dah 1439H (corresponding to 29 July 2018). The company is licensed to engage in general construction activities for residential and non-residential buildings, renovation of residential and non-residential buildings, buying and selling land and real estate, subdividing them, conducting off-plan sales, and managing and leasing owned or rented residential and non-residential properties. The company did not engage in any operational activities throughout the current fiscal year.

(E) Alinma Alakaria Real Estate Fund is a private fund created by an agreement between Inma for Investment (the "Fund Manager") a subsidiary of Alinma Bank and investors ("unit holder") in the Fund according to Shariah standards and controls approved by the Shariah Board of the Fund Manager. The principal investment objective of the Fund is to provide investors with capital growth over the medium and long-term by investing primarily in the real estate and related sectors in the Kingdom of Saudi Arabia. The Fund has appointed Al Inma Bank to act as its custodian, administrator and registrar of the Fund. The Fund was established on 25 Jumada Al-Ula 1440H (corresponding to 31 January 2019) as per approval from the Capital Market Authority (CMA). The terms and conditions of the Fund were issued on 25 Jumada Al-Ula 1438H (corresponding to 31 January 2019). During 2020, the Group has signed an agreement to terminate and liquidate the Fund. During 2022, all major assets of Fund has been transferred to the group. The Group's management is in the process of completing all the legal procedures for liquidating the Fund.

(F) Hodood Real Estate Investment Company (sole owner limited liability company wholly owned by the Parent Company) with a capital of 10,000 Saudi Riyals. It was established during October 2022 under commercial registration number 101836057 dated on 24 October 2022 (corresponding to 28 Rabi' Al-Awwal 1444H) issued in Riyadh. The objective of the Company is transferring the title deeds of Alinma Alakaria Real Estate Fund to Hodood Real Estate which is fully owned by Parent Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia ("KSA") and other pronouncements that are issued by SOCPA.

The interim condensed consolidated financial statements should be read in conjunction with the last annual consolidated financial statements of the Group, for the year ended on December 31, 2024. The interim condensed consolidated financial statements do not include all the information and disclosures required to prepare annual consolidated financial statements in accordance with International Financial Reporting Standards but selected explanatory notes have been included to indicate material events and transactions to understand the changes in the financial position and financial performance of the Group since 31 December 2024. The interim period is an integral part of the full fiscal year however, the results of the interim period operations may not be a fair indication of the results of the full year operations.

2.2 Basis of measurement

The interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, going concern concept under the historical cost basis, except for investment in equity instruments designated at FVOCI, in addition to Employee defined benefit obligations measured using the Projected Unit Credit Method.

2.3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyals which is also the functional currency of the Group. All values are rounded to the nearest thousand, unless otherwise indicated.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

2. BASIS OF PREPARATION (CONTINUED)

2.4. Use of estimates and judgments

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates made by management when applying the Group's accounting policies and significant sources of estimation uncertainty are not materially different from those disclosed in the most recent annual consolidated financial statements.

2.5. Basis of consolidation financial statements

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 March 2025, as stated in note (1).

Subsidiaries are entities controlled by the group. Control exists when the Group is exposed to risk, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Risk exposure, or rights, to variable returns from its involvement with the investee.
- The ability to influence the returns of the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the three elements of control. Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, revenue and expenses of subsidiaries acquired or disposed during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the investee.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, revenue, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation of the interim condensed consolidated financial statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the interim condensed statement of profit or loss. Any investment retained is recognised at fair value.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

There are no new standards released during the period however , several amendments applied for the first time in 1 January 2025, which are detailed in the Consolidated Financial Statements as at 31 December 2024 but have no material effect on the Group's interim condensed consolidated financial statements, these amendments did not require a change in accounting policies or retroactive adjustments as a result of the application of these amended Standards to the Group's interim condensed consolidated financial statements as at 31 March 2025.

5. INVESTMENT IN ASSOCIATES

The Group owns 16.67% interest in Riyadh Holding Company, a limited liability company registered in the Kingdom of Saudi Arabia. The Group's interest in the associates is accounted for using the equity method in these consolidated financial statements, as the Group has significant influence on the associate. Also, as of the date of the Group's interim condensed consolidated financial statements, the Group owns 25% interest in Abraj Al-Tilal Real Estate Development Company, a limited liability company registered in the Kingdom of Saudi Arabia, Riyadh Holding Company owns 25%, and Arriyadh Development Company owns 50%. The Group's share in Abraj Al-Tilal Real Estate Development Company is accounted for using the equity method in these interim condensed consolidated financial statements, as the Group exercises significant influence over the investee.

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	298,792	295,024
Additions	61,380	-
Share of the company on the profits for period / year	1,938	45,433
Share of other comprehensive income for period / year	-	(31,666)
Dividends received for period/year	-	(9,999)
At the end of the period / year	362,110	298,792

6 INVESTMENT PROPERTIES

Investment properties are stated at cost less accumulated depreciation. At the end of each financial year, the fair value of investments properties is measured according to the evaluation process carried out by independent valuers' valuation performed by independent valuers accredited by Saudi Authority for Accredited Valuers. All of the Company's assets are in the Kingdom of Saudi Arabia. The following is the carrying value of the assets constituting investment properties as of:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Lands	3,787,011	3,836,097
Buildings	805,849	814,144
Decoration and fixture	167,730	173,131
Capital work-in-progress	792,705	715,319
At the end of the period / year	5,553,295	5,538,691

Investment properties include some buildings constructed on a land leased from the Royal Commission for Riyadh City under lease contracts ranging from 28 to 99 years. It also includes certain lands having carrying value of SR 2.9 billion are pledged against an Islamic loan from a local bank that is compatible with the provisions of the Sharia Committee of the bank. Moreover, other assets owned by the group with a book value of SR 309 million were mortgaged against a loan from Ministry of Finance.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

6 INVESTMENT PROPERTIES (CONTINUED)

6-A. Lands not available for use

Certain land parcels owned by the Company are currently not available for use or development due to various reasons, of which certain reasons relate to the areas where these lands are located and other related to the fact that they are under study from specialised committees to resolve these matters. The management is currently communicating with the related government agencies and committees to address these reasons to allow the use of these lands. The impact on the net realisable value of these lands is still uncertain and depend on the results of the study by the assigned committees. The management believes that there will be no losses to be incurred related to this matter. The carrying value of these lands amounted to SR 438 million as of 31 December 2025 (2024: SR 438 million).

6-B. Al Widyan project

During 2021, it came to management's attention that the land included in the Company's Al Widyan project is located within an area that is currently under study by the relevant government agencies with the aim of developing it, which may result into a fundamental change to the original project's plan and may impact the land's realisable value. The effect of the extent of this study remains uncertain and dependent on future developments by the relevant government agencies' plan. The management believes that there will be no losses to be incurred related to this matter. The carrying value of the related land and capital works-in-progress amounted to SR 2.9 million as of 31 March 2025 (31 December 2024: SR 2.9 million).

7. DEVELOPED PROPERTIES

Below is a breakdown of the developed properties and ready-to-sale for customers:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cost of ready-to-sale units	17,942	17,942
Cost of land related to developed properties	541,586	579,996
Cost of capital works in-progress	56,744	50,658
	616,272	648,596

The table below shows the classification of the developed properties between current and non-current:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Current	323,300	267,327
Non-current	292,972	381,269
	616,272	648,596

The developed properties are stated at the lower of cost or net realizable value. Developed properties are classified as current if completed or expected to be completed within 12 months, otherwise, they are classified as non-current.

8. SHARE CAPITAL

As of 31 March 2025, and 31 December 2024, the Company's share capital amounting to SR 3,750 million and is divided into 375 million shares of SR 10 each.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

9. LONG-TERM BANK LOAN

During 2016, the Company obtained loan from a local bank. In June 2022, the Company rescheduled the loan for the second time, provided that the loan principal amounting to 2.068 million Saudi riyals will be repaid in equal semi-annual instalments over eight years after a four-year grace period from the date of the rescheduling agreement, so that the first instalment will be paid on December 2026 and the last instalment is paid on June 2034, provided that the loan is subject to prevailing commission rates among Saudi banks (SIBOR) plus an agreed profit margin, and the company has mortgaged a piece of land in exchange for the long-term loan granted to it. The long-term bank loan balance has been classified as non-current liabilities according to the agreed repayment dates.

10. SHORT-TERM BANK LOAN

During the fiscal year ending 31 December 2024, the Group obtained a short-term, extendable loan from a local bank amounting to SR 100 million, secured by a promissory note. The loan was repayable in a single instalment at the end of the agreement term. This term was extended for more than one period, and the loan was repaid during the three-month period ending 31 March 2025.

11. LOAN FROM MINISTRY OF FINANCE

The following is a summary of the movement during the period / year:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	914,889	1,058,657
Paid during the period / year	(78,419)	(143,768)
At the end of the period / year	836,470	914,889

The balance of the loan from the Ministry of Finance has been classified under current and non-current liabilities according to the instalment payment dates as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	163,373	156,838
Non- current portion	673,097	758,051
	836,470	914,889

12. ZAKAT

The movement in provision for Zakat for the period / year is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	78,355	85,959
Charge for the period / year	17,222	17,818
Paid during the period / year	(55,548)	(25,422)
At the end of the period / year	40,029	78,355

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

13. EARNING PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

The following table reflects the profit and shares data used in the basic and diluted profit per share computations for the three-month period ended 31 March:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Equity holders of the Parent Company	135,173	2,918
Weighted average number of ordinary shares (1,000 share)	375,000	375,000
Basic and diluted earnings per share (SR)	0.36	0.01

14. SEGMENTAL INFORMATION

For management purposes, the Group consists of business units based on its products and services and has five reportable segments, as follows:

- A. Rental sector
- B. Property sales sector
- C. Infrastructure projects sector
- D. Construction projects sector
- E. Facility management sector

Segment performance is evaluated based on income or loss and is measured consistently with income or loss in the consolidated financial statements. The activities of the Group and its subsidiaries are primarily conducted in the Kingdom of Saudi Arabia. Below is a breakdown of the segment information:

As of 31 March 2025	Rental	Property sales	Infrastructure projects	Construction projects	Facility management	Upon disposal	Total
Revenue	89,324	305,948	218,273	65,520	31,600	(82,590)	628,075
Cost of revenue	(54,019)	(141,982)	(106,806)	(61,473)	(23,939)	69,836	(318,383)
Total Assets	3,487,734	4,692,058	1,007,291	111,145	60,286	-	9,358,514

As of 31 March 2024	Rental	Property sales	Infrastructure projects	Construction projects	Facility management	Upon disposal	Total
Revenue	82,545	49,905	254,683	39,238	26,899	(25,692)	427,578
Cost of revenue	(38,662)	(31,557)	(194,897)	(38,118)	(20,579)	25,311	(298,502)
Total Assets on 31 December 2024	3,555,099	4,782,681	916,719	138,517	36,058	-	9,429,074

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Notes to the interim condensed consolidated financial statement for the three-month period ended 31 March 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

15. COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

16. SUBSEQUENT EVENTS

the management believes that there are no significant subsequent events after the date of the interim condensed consolidated financial statements on March 31, 2025, that may have a material impact on them.

17. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized for issue on Dhu al-Qi'dah 16, 1446H (corresponding to 14 May 2025) by the Audit Committee pursuant to the authorization of the Board of Directors.