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**Saudi Real Estate Company and its Subsidiaries**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED) AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS**  
**ENDED 30 SEPTEMBER 2025**

**Saudi Real Estate Company and its Subsidiaries**  
(A Saudi Joint Stock Company)

**Interim condensed consolidated financial statements (unaudited) for the three and nine-month periods ended 30 September 2025**

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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 Saudi Joint Stock Company ("the Company") and its subsidiaries ("collectively referred to as the "Group"), as of September 30, 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", 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 (5-A) to the interim condensed consolidated financial statements for the period ended September 30, 2025, as stated therein, certain land parcels owned by the Group 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 September 30, 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 (5-B) to the interim condensed consolidated financial statements for the period ended September 30, 2025, as stated therein, it has come to management's attention that the land which was designated for the Al Widyen 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 September 30, 2025, amounted to SR. 2.9 billion (December 31, 2024: SR 2.9 billion).

No modified conclusion has been expressed in respect of the matters referred to in the above 'Emphasis of Matter' paragraph.

Riyadh: November 10, 2025  
Jumada Al-Awwal 19, 1447 H



FOR EL SAYED EL AYOUTY & CO.

*A. Balamash*

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

# Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

## Interim condensed consolidated statement of financial position as at 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Notes	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment - Net		45,172	28,602
Investments properties - Net	5	5,687,159	5,538,691
Intangible assets - Net		5,938	7,370
Investment in associates	6	355,911	298,792
Investment in a joint venture		40,513	13,481
Investments in equity instruments held at FVOCI		435,703	415,322
Right-of-use assets		202,656	210,708
Developed properties – non-current portion	7	346,521	381,269
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,119,573</b>	<b>6,894,235</b>
<b>CURRENT ASSETS</b>			
Developed properties	7	266,955	267,327
Trade receivables - Net		206,172	530,684
Prepaid expenses and other debit balances		409,291	348,432
Short-term bank deposits		-	300,000
Inventories		50,839	11,638
Cash and cash equivalents		1,423,467	1,076,758
<b>TOTAL CURRENT ASSETS</b>		<b>2,356,724</b>	<b>2,534,839</b>
<b>TOTAL ASSETS</b>		<b>9,476,297</b>	<b>9,429,074</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	3,750,000	3,750,000
Share premium		222,700	222,700
Statutory reserve	9	720,000	720,000
Contractual reserve		10,051	10,051
Other reserves		163,858	128,477
Retained earnings		416,338	147,815
<b>Equity attributable to equity holders of the parent company</b>		<b>5,282,947</b>	<b>4,979,043</b>
Non-controlling interests		287,374	203,733
<b>TOTAL EQUITY</b>		<b>5,570,321</b>	<b>5,182,776</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term bank loan	10	2,068,462	2,068,462
Loan from Ministry of Finance - non-current portion	11	588,143	758,051
Employees' defined benefit obligations		56,017	42,250
Lease liabilities - non-current portion		237,827	226,548
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,950,449</b>	<b>3,095,311</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		148,195	188,435
Accrued expenses and other credit balance		475,970	525,877
Unearned revenue		104,710	87,781
Loan from Ministry of Finance – current portion	11	169,908	156,838
Short-term bank loan	12	-	100,000
Lease liabilities - current portion		13,937	13,701
Zakat provision	13	42,807	78,355
<b>TOTAL CURRENT LIABILITIES</b>		<b>955,527</b>	<b>1,150,987</b>
<b>TOTAL LIABILITIES</b>		<b>3,905,976</b>	<b>4,246,298</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,476,297</b>	<b>9,429,074</b>



Chief Financial Officer



Acting Chief Executive Officer



Chairman

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



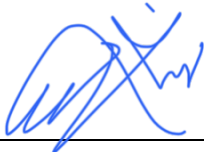
# Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

## Interim condensed consolidated statement of profit or loss for three and nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Note	<u>For the three-month period</u> <u>from 1 July to 30 September</u>		<u>For the nine-month period</u> <u>from 1 January to 30 September</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenue		409,714	433,607	1,526,775	1,243,511
Cost of revenue		(238,490)	(298,400)	(807,827)	(853,929)
<b>Gross profit</b>		<b>171,224</b>	<b>135,207</b>	<b>718,948</b>	<b>389,582</b>
Selling and marketing expenses		(15,732)	(2,191)	(51,955)	(27,380)
General and administration expenses		(54,310)	(29,910)	(149,095)	(123,038)
<b>Operating profit</b>		<b>101,182</b>	<b>103,106</b>	<b>517,898</b>	<b>239,164</b>
Other income		17,670	7,106	35,084	35,542
The Group's share of profit from associates	6	2,143	4,930	5,713	12,132
The Group's share of profit from a joint venture		11,757	2,321	27,032	5,891
Gains on disposals investments held at fair value		21,159	-	21,159	-
Dividends on investments held at fair value		2,466	-	2,466	1,642
Finance charge		(53,897)	(53,143)	(173,487)	(178,033)
<b>Profit before zakat</b>		<b>102,480</b>	<b>64,320</b>	<b>435,865</b>	<b>116,338</b>
Zakat	13	(24,308)	(2,049)	(55,701)	(17,232)
<b>Net profit for the period</b>		<b>78,172</b>	<b>62,271</b>	<b>380,164</b>	<b>99,106</b>
<b>Profit for the period attributable to:</b>					
Shareholders of the parent company		38,904	38,152	268,523	26,880
Non-controlling interest		39,268	24,119	111,641	72,226
		<b>78,172</b>	<b>62,271</b>	<b>380,164</b>	<b>99,106</b>
<b>Basic and diluted profit per share from the net profit for the period attributable to the Shareholders of the parent company (Saudi Riyals)</b>	14	<b>0.10</b>	<b>0,10</b>	<b>0.72</b>	<b>0,07</b>



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (18) 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 three and nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	<u>For the three-month period from</u> <u>1 July to 30 September</u>		<u>For the nine-month period from</u> <u>1 January to 30 September</u>	
	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
<b>Net profit for the period</b>	<b>78,172</b>	<b>62,271</b>	<b>380,164</b>	<b>99,106</b>
<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 held at FVOCI	(10,140)	20,189	56,540	21,155
<b>Other comprehensive (loss) / income for the period</b>	<b>(10,140)</b>	<b>20,189</b>	<b>56,540</b>	<b>21,155</b>
<b>Total comprehensive income for the period</b>	<b>68,032</b>	<b>82,460</b>	<b>436,704</b>	<b>120,261</b>
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of the parent company	28,764	58,341	325,063	48,035
Non-controlling interest	39,268	24,119	111,641	72,226
	<b>68,032</b>	<b>82,460</b>	<b>436,704</b>	<b>120,261</b>

  
 Chief Financial Officer

  
 Acting Chief Executive Officer

  
 Chairman

The accompanying notes from (1) to (18) 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 nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Equity attributable to equity holders of the parent company							Non-controlling interests	Total equity
	Share capital	Share Premium	Statutory reserve	Contractual reserve	Other reserves	Accumulated losses	Total		
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 profit for the period	-	-	-	-	-	26,880	26,880	72,226	99,106
Other comprehensive income	-	-	-	-	21,155	-	21,155	-	21,155
Total comprehensive income for the period	-	-	-	-	21,155	26,880	48,035	72,226	120,261
The non-controlling interest's share of a subsidiary's dividends	-	-	-	-	-	-	-	(20,000)	(20,000)
Balance as at 30 September 2024 (Unaudited)	3,750,000	222,700	720,000	10,051	134,431	(40,368)	4,796,814	186,242	4,983,056

	Equity attributable to equity holders of the parent company							Non-controlling interests	Total equity
	Share capital	Share Premium	Statutory reserve	Contractual reserve	Other reserves	Retained earnings	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 profit for the period	-	-	-	-	-	268,523	268,523	111,641	380,164
Other comprehensive income	-	-	-	-	56,540	-	56,540	-	56,540
Total comprehensive income for the period	-	-	-	-	56,540	268,523	325,063	111,641	436,704
The non-controlling interest's share of a subsidiary's dividends	-	-	-	-	-	-	-	(28,000)	(28,000)
Disposal of investments at FVOCI	-	-	-	-	(21,159)	-	(21,159)	-	(21,159)
Balance as at 30 September 2025 (Unaudited)	3,750,000	222,700	720,000	10,051	163,858	416,338	5,282,947	287,374	5,570,321

Chief Financial Officer

Acting Chief Executive Officer

Chairman

The accompanying notes from (1) to (18) 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 nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	2025 (Unaudited)	2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before zakat	435,865	116,338
<b>ADJUSTMENTS TO NON-MONETARY ITEMS:</b>		
Depreciation of properties, equipment, investment properties and right-of-use assets	57,685	50,166
Amortization of intangible assets	2,132	2,813
Finance charge	173,487	178,033
Employees' defined benefit obligations provided	15,670	10,231
Gains on disposal of investments designated at FVOCI	(21,159)	-
Gains on disposal of properties, equipment and investments properties	(194,937)	(10,876)
The Group's share of profit from associates	(5,713)	(12,132)
The Group's share of profit from a joint venture	(27,032)	(5,891)
	<b>435,998</b>	<b>328,682</b>
<b>WORKING CAPITAL ADJUSTMENTS:</b>		
Trade receivables	324,512	35,421
Prepaid expenses and other debit balance	(60,859)	(71,464)
Inventories	(39,201)	8,357
Developed properties	35,120	(123,234)
Trade payables	(40,240)	30,736
Accrued expenses and other credit balance	6,178	193,851
Unearned revenue	16,929	(6,618)
	<b>678,437</b>	<b>395,731</b>
Employees' defined benefit obligations paid	(1,903)	(4,101)
Zakat paid	(91,249)	(20,009)
<b>Net Cash flows generated from operating activities</b>	<b>585,285</b>	<b>371,621</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of properties, equipment and investments properties	237,240	13,493
Dividends received from an associate	9,999	9,999
Proceeds from short-term deposits	300,000	-
Proceeds from disposal of investments designated at FVOCI	36,159	-
Payments to invest in associates	(43,939)	-
Payments to invest in a joint venture	-	(2,975)
Payments for the purchase of property, plant, investments properties and intangible assets	(275,140)	(68,488)
<b>Net Cash flows generated from / (used in) investing activities</b>	<b>264,319</b>	<b>(47,971)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from banks for a short-term loan	-	100,000
Payment made to meet the Group's obligations against asset lease	(3,150)	-
Non-controlling interest's share of subsidiaries' dividends	(28,000)	(20,000)
Amounts paid for loans from banks and the Ministry of Finance loan	(256,838)	(143,768)
Financial charges paid	(214,907)	(162,498)
<b>Net cash flows used in financing activities</b>	<b>(502,895)</b>	<b>(226,266)</b>
<b>Change in cash and cash equivalents</b>	<b>346,709</b>	<b>97,384</b>
Cash and cash equivalents at the beginning of the period	1,076,758	837,669
<b>Cash and cash equivalents at the end of the period</b>	<b>1,423,467</b>	<b>935,053</b>



Chief Financial Officer



Acting Chief Executive Officer



Chairman

The accompanying notes from (1) to (18) 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 interim condensed consolidated financial statements for nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

### 1. CORPORATE 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) and is 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 purchase and sale of land and real estate, land subdivision, off-plan sales activities, and the management and leasing of owned or leased residential and non-residential properties.

The major shareholder of the Parent Company is the Public Investment Fund (PIF), which owns 64.58% of the Company's shares, while the remaining 35.42% is held by other shareholders, each owning less than 5%.

The Company's fiscal year follows the Gregorian calendar, commencing on 1 January and ending on 31 December. These interim condensed consolidated financial statements cover the nine-month period ended 30 September 2025 and should be read in conjunction with the Group's most recent annual consolidated financial statements for the year ended 31 December 2024.

**Saudi Real Estate Company has investments in the following subsidiaries, which are included in these interim condensed consolidated financial statements:**

<u>Name</u>	<u>Location</u>	<u>Principal activities</u>	<u>Year of incorporation</u>	<u>Ownership percentage (directly or indirectly)</u>	
				<u>2025</u>	<u>2024</u>
Saudi Real Estate Construction Co. (A)	KSA	Constructions & maintenance	2016	<b>100%</b>	100%
Saudi Real Estate Infrastructure Co. (B)	KSA	Constructions & maintenance	2017	<b>60%</b>	60%
Saudi Korean Company for Maintenance and Properties Management (C)	KSA	Maintenance and operation	2017	<b>60%</b>	60%
Al Widyān Saudi Real State Co. (D)	KSA	Developing Al Widyān project	2018	<b>100%</b>	100%
Alinma Alakaria Real Estate Fund (E)	KSA	Development of real estate	2019	<b>100%</b>	100%
Hodood Real Estate Investment Company (F)	KSA	Not commenced its activities	2022	<b>100%</b>	100%
Creativity Hub Company for Co-Working Spaces (G)	KSA	Not commenced its activities	2025	<b>100%</b>	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 interim condensed consolidated financial statements for nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

### 1. CORPORATE 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 Widyān 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 Thul-Qi'dah 1439H (corresponding to 29 July 2018). It is licensed to engage in general construction activities for residential and non-residential buildings, renovation of residential and non-residential buildings, buying and selling of land and real estate, land subdivision, off-plan sales activities, and the management and leasing of owned or leased residential and non-residential properties. The Company did not conduct any business activities during 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 assets of Fund has been transferred to Hodood Real Estate Investment Company. 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.

(G) Creativity Hub Company for Co-Working Spaces (sole owner limited liability company wholly owned by the Parent Company) with a capital of 10,000 Saudi Riyals. It was established during July 2025 under unified national number 7050841902 dated on 22 July 2025 (corresponding to 27 Muharram 1447H) issued in Riyadh. The objective of the Company is to engage in business incubators and accelerators activities.

### 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), as endorsed in the Kingdom of Saudi Arabia (KSA), and other pronouncements issued by SOCPA.

These interim condensed consolidated financial statements should be read in conjunction with the Group's most recent annual consolidated financial statements for the year ended 31 December 2024. They do not include all of the information and disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards. However, selected explanatory notes have been included to highlight material events and transactions in order to provide an understanding of the changes in the Group's financial position and financial performance since 31 December 2024. The interim period is an integral part of the full financial year; however, the results of operations for the interim period may not necessarily indicate the results expected for the full year.

# Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

## Notes to interim condensed consolidated financial statements for nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

### 2. BASIS OF PREPARATION (CONTINUED)

#### 2.2. Basis of measurement

The interim condensed consolidated financial statements have been prepared on the accrual basis of accounting and under the going concern assumption, using the historical cost convention, except for investments in equity instruments measured at fair value through other comprehensive income (FVOCI) and for employees' defined benefit obligations, which are 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 Group's functional currency. All amounts are rounded to the nearest thousand Saudi Riyals, unless otherwise indicated.

#### 2.4. Use of estimates and judgments

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

#### 2.5. Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2025, as described in Note (1). Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect those returns.

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

- Power over the investee (i.e., existing rights that give the ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect those returns.

There is generally a presumption that a majority of voting rights results in control. When the Group holds less than a majority of voting or similar rights, it considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- Contractual arrangements with other vote holders,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group reassesses whether it controls an investee if facts and circumstances indicate changes to any of the three elements of control. Consolidation of subsidiaries begins when the Group obtains control and ceases when control is lost. Assets, liabilities, income, and expenses of subsidiaries acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date it 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 and to non-controlling interests, even if this results in a deficit balance for non-controlling interests. Adjustments are made to the financial statements of subsidiaries where necessary to align their accounting policies with those of the Group. All intra-group balances, transactions, income, expenses, and cash flows are eliminated in full on consolidation.

Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests, and other equity components, with any resulting gain or loss recognized in the consolidated statement of profit or loss. Any retained investment is measured at fair value. Non-controlling interests in the net assets of subsidiaries are presented separately from the Group's equity interests in those subsidiaries.

# Saudi Real Estate Company and its Subsidiaries

(A Saudi Joint Stock Company)

## Notes to interim condensed consolidated financial statements for nine-months period ended 30 September 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended 31 December 2024.

### 4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

Several new standards and amendments to existing standards became effective for the first time on 1 January 2025. These were disclosed in the consolidated financial statements for the year ended 31 December 2024 and are not expected to have a material impact on the interim condensed consolidated financial statements. The application of these amendments did not require any changes to the accounting policies or any retrospective adjustments in the interim condensed consolidated financial statements for the nine months ended 30 September 2025.

### 5. INVESTMENT PROPERTIES

Investment properties are stated at cost less accumulated depreciation and any impairment losses. At the end of each financial year, the fair value of investment properties is determined through valuations performed by independent valuers accredited by the Saudi Authority for Accredited Valuers ("TAQEEM"). All of the Company's assets are located in the Kingdom of Saudi Arabia. The following is a summary of movements in investment properties during the period / year:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Net book value at the beginning of the period / year	5,538,691	5,434,166
Additions during the period / year	249,145	165,006
Disposals during the period / year	(42,265)	(4,809)
Assets transferred to an associate during the period / year	(17,466)	-
Depreciation expense during the period / year	(40,946)	(55,672)
<b>Net book value at the end of the period / year</b>	<b>5,687,159</b>	<b>5,538,691</b>

Investment properties include certain buildings constructed on land leased from the Royal Commission for Riyadh City under lease agreements with terms ranging from 28 to 99 years. They also include assets with a carrying amount of SR 3.5 billion, which are pledged to the Ministry of Finance and two local banks as collateral for loans and credit facilities granted to the Group.

#### 5-A. Lands not available for used

Certain land parcels owned by the Group are currently not available for use or development due to various reasons, including factors related to their locations and others subject to ongoing studies by specialized committees to resolve these matters. Management is engaging with the relevant government agencies and committees to address these issues and enable the use of these lands. The impact on the net realizable value of these lands remains uncertain and depends on the final outcomes of the studies conducted by the assigned committees. In any case, management does not expect the Group to incur any losses related to this matter. The carrying amount of these lands is SR 438 million as of 30 September 2025 (31 December 2024: SR 438 million).

#### 5-B. Al Widyan project

During 2021, management was informed by the relevant government agencies that one of the Group's land parcels, allocated to the Al-Widyan project, is located within an area currently under study for development. This may result in a significant change to the original project plan and could affect the net realizable value of the land. The impact of this study remains uncertain and depends on the final outcomes and future developments in the area. In any case, management does not expect the Company to incur any losses related to this matter. The carrying amount of the land and capital works-in-progress is SR 2.9 billion as of 30 September 2025 (31 December 2024: SR 2.9 billion).

# Saudi Real Estate Company and its Subsidiaries

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### 6. INVESTMENT IN ASSOCIATES

The Group holds a 16.67% equity interest in Riyadh Holding Company, a limited liability company registered in the Kingdom of Saudi Arabia. This investment is accounted for using the equity method in these interim condensed consolidated financial statements, as the Group exercises significant influence over the investee. As at the date of the interim condensed consolidated statement of financial position, the Group also holds a 25% equity interest in Abraj Al-Tilal Real Estate Development Company, a limited liability company in which Riyadh Holding Company holds a 25% equity interest and Riyadh Development Company holds a 50% equity interest. The Group's investment in Abraj Al-Tilal Real Estate Development Company is also accounted for using the equity method, as the Group exercises significant influence over the investee. The following is a summary of movements in investments in associates for the period / year:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	298,792	295,024
Additional investments during the period / year	61,405	-
The Group's share of the profit of associates for the period / year	5,713	45,433
The Group's share of other comprehensive income of associates for the period / year	-	(31,666)
Dividends received from associates during the period / year	(9,999)	(9,999)
<b>At the end of the period / year</b>	<b>355,911</b>	<b>298,792</b>

### 7. DEVELOPED PROPERTIES

The following is a breakdown of developed properties and the units ready-for-sale to customers as at:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cost of ready-for-sale units	17,942	17,942
Cost of land and capital works in-progress related to developed properties	595,534	630,654
	<b>613,476</b>	<b>648,596</b>

The table below presents the allocation of developed properties between current and non-current assets:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	266,955	267,327
Non-current portion	346,521	381,269
	<b>613,476</b>	<b>648,596</b>

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



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(In Saudi Riyals Thousands, unless otherwise indicated)

### 8. SHARE CAPITAL

As at 30 September 2025 and 31 December 2024, the Company's share capital, amounting to SR 3,750 million, consisted of 375 million ordinary shares with a par value of SR 10 each.

### 9. STATUTORY RESERVE

The statutory reserve included in the interim condensed consolidated financial statements was required under the previous Companies Act and the Company's previous articles of association. Following amendments to the Companies Act and the Company's articles of association, the requirement to allocate a statutory reserve has been abolished.

### 10. LONG-TERM BANK LOAN

During 2015, the Group obtained a loan from a local bank. In June 2022, the loan was rescheduled, whereby the principal amount of SR 2.068 billion will be repaid in equal semi-annual instalments over eight years, following a four-year grace period from the date of the rescheduling agreement. Accordingly, the first instalment will be due in December 2026, and the final instalment will be due in June 2034. The loan is subject to the prevailing commission rates among Saudi banks (SIBOR) plus an agreed profit margin. The loan is secured by a mortgage over a plot of land owned by the Group. Based on the agreed repayment schedule, the outstanding balance of the loan has been classified as a non-current liability.

### 11. LOAN FROM MINISTRY OF FINANCE

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	914,889	1,058,657
Paid during the period / year	(156,838)	(143,768)
<b>At the end of the period / year</b>	<b>758,051</b>	<b>914,889</b>

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	169,908	156,838
Non- current portion	588,143	758,051
	<b>758,051</b>	<b>914,889</b>

### 12. SHORT-TERM BANK LOAN

During the second quarter of the fiscal year ending 31 December 2024, the Group obtained a short-term loan from a local bank amounting to SR 100 million, secured by a promissory note. The loan was fully repaid during the first quarter of the fiscal year ending 31 December 2025.

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## Notes to interim condensed consolidated financial statements for nine-months period ended 30 September 2025

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### 13. ZAKAT

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	78,355	85,959
Charge for the period / year	55,701	17,818
Paid during the period / year	(91,249)	(25,422)
<b>At the end of the period / year</b>	<b>42,807</b>	<b>78,355</b>

### 14. EARNING PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. There is no difference between basic and diluted earnings per share, as there is no material impact from any potential dilutive items on the weighted average number of ordinary shares.

The following table shows the profit for the period and the number of shares used in calculating the basic and diluted earnings per share:

	For the three-month period ended on 30 September		For the nine-month period ended on 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Profit for the period attributable to shareholders of the Parent Company	38,904	38,152	268,523	26,880
Weighted average number of outstanding shares	375,000	375,000	375,000	375,000
<b>Basic and diluted earnings per share for the period in Saudi Riyals</b>	<b>0,10</b>	<b>0,10</b>	<b>0,72</b>	<b>0,07</b>

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### 15. 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:

<u>30 September 2025</u>	<u>Rental</u>	<u>Property sales</u>	<u>Infrastructure projects</u>	<u>Construction projects</u>	<u>Facility management</u>	<u>Elimination</u>	<u>Total</u>
Revenue	274,560	592,347	607,739	189,221	110,152	(247,244)	1,526,775
Cost of revenue	(131,057)	(315,776)	(330,602)	(192,128)	(84,262)	245,998	(807,827)
Total Assets	3,474,893	4,733,083	1,125,455	74,933	67,933	-	9,476,297

<u>30 September 2024</u>	<u>Rental</u>	<u>Property sales</u>	<u>Infrastructure projects</u>	<u>Construction projects</u>	<u>Facility management</u>	<u>Elimination</u>	<u>Total</u>
Revenue	252,629	188,826	712,163	116,766	91,585	(118,458)	1,243,511
Cost of revenue	(127,102)	(127,352)	(529,038)	(116,835)	(70,102)	116,500	(853,929)
31 December 2024							
Total Assets	3,555,099	4,782,681	916,719	138,517	36,058	-	9,429,074

### 16. RECLASSIFICATION OF COMPARATIVE FIGURES

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

### 17. SUBSEQUENT EVENTS

The management believes that there are no significant subsequent events after the date of the interim condensed consolidated financial statements on 30 September 2025, that may have a material impact on them.

### 18. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized for issue on 19 Jumada Al-Awwal 1447H (corresponding to 10 November 2025) by the Board of Directors.