Rooted Identity..
Sustainable Growth..

Annual Report

2025

العقارية
AL AKARIA

al-akaria.com

بسم الله الرحمن الرحيم

The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al-Saud

May God protect him

Al Akaria – 2025 Annual Report

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince, Prime Minister

May God protect him

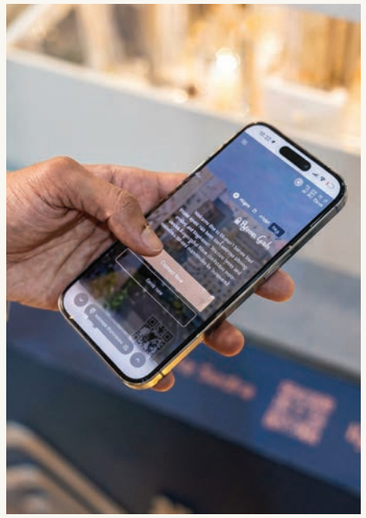
Al Akaria – 2025 Annual Report

Report's Contents

01 **Overview**

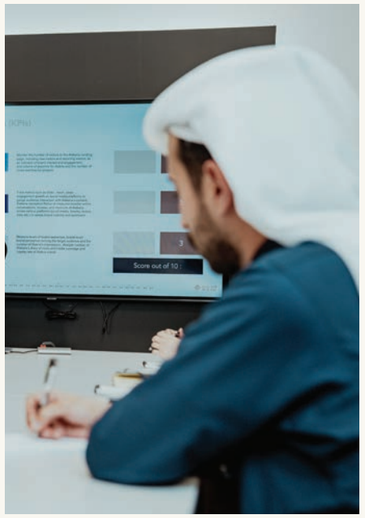
Al Akaria in Numbers	12
Key Operating and Financial Results	14
Year at a Glance	17
Company Profile	18
Vision, Mission, and Values	20
Our Journey	22
Success Partners	24
Investment Case	26
Investor Relations and Shareholder Information	28
Theme of the Year: "Rooted Identity… Sustainable Growth"	35

02 **Strategic Report**



Chairman's Statement	38
Acting CEO's Statement	40
Overview of the Market and Sector	42
Company's Strategy	45
Business Model	48
Challenges and Opportunities.. One Step Ahead	52
Expansion and Future Vision	56
Saudi Vision 2030	58
Digital Transformation and Automation	59
Cybersecurity	61
Occupational Health, Safety, and Environment (OHSE)	61
Sustainability	64

03 **Financial Performance Analysis**



CFO's Statement	74
Summary of Financial Developments over the Last 5 Years	76
Quarterly Financial Results for 2025	77
Revenue Contribution by Segment	78
Key Financial Indicators and Ratios	80
Statement of Changes in Financial Position	81
Loans	81
Statutory Payments	82

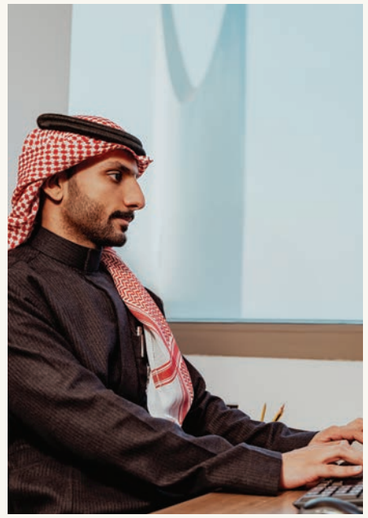
04 **Asset Portfolio and Operational Performance**

Operational Resilience	86
The Company's Real Estate Portfolio	91
Completed Projects	92
Projects under Development	108
Projects under Study	120
Future Plans	126
Case Study	128
Transactions of the Year	130
Material Contracts	132
Land Portfolio	134
Subsidiaries	136
Customers and Suppliers	151

05 **Governance and Compliance**

Governance Strategy	156
Board of Directors	160
Duties and Responsibilities of the Board of Directors	162
Board Committees	180
Executive Management	200
Remuneration Policy	209
Dividend Distribution Policy	215
Related Party Transactions	217
Provisions and Compliance Levels	217
Internal Audit Results	218
Cases	220
Board Declarations	221

06 **Financial Statements**



Statement of Financial Position	230
Statement of Income	231
Statement of Cash Flows	233
Notes to the Financial Statements	234

This Report

The Board of Directors of the Saudi Real Estate Company (Al Akaria) is pleased to present the Annual Report for the fiscal year ended 31 December 2025. The Report has been prepared in accordance with the Company's approved annual financial reporting cycle and in line with the best practices adopted by companies listed on Tadawul.

Scope of the Report and Compliance

This Report has been prepared so as to ensure full compliance with the disclosure requirements set out in the Corporate Governance Regulations issued by the Capital Market Authority (CMA). The Report covers the activities of Al Akaria and its subsidiaries across various lines of business and includes its consolidated financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, together with other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and in compliance with the provisions of the Companies Law, related regulations, and the Company's Bylaws.

The Report provides a comprehensive review of the Company's operational and financial performance during 2025. The Report also highlights the strategy implemented during the year and the extent of its alignment with the Company's long-term vision and mission, as well as with the objectives of Saudi Vision 2030. Further, the Report presents the performance of the Company's various business segments and operating departments, together with the key indicators relating to its business activities.

In addition, the Report addresses the key material challenges faced by the Company during the period covered, while underscoring its commitment to the principles of sustainability and corporate social responsibility. Moreover, the Report highlights the main opportunities and risks that may affect the Company's business in the coming year.

This Report has been issued in both Arabic and English. In the event of any discrepancy in interpretation or content between the two versions, the Arabic version shall be deemed the official and binding reference.

Al Akaria – 2025 Annual Report

Overview

Al Akaria in Numbers	12
Key Operating and Financial Results	14
Year at a Glance	17
Company Profile	18
Vision, Mission, and Values	20
Our Journey	22
Success Partners	24
Investment Case	26
Investor Relations and Shareholder Information	28
Theme of the Year: "Rooted Identity... Sustainable Growth"	35

Al Akaria in Numbers

2024

19.67
Total Land Area (Mln sqm)

11
No. of Completed Projects

3
No. of Projects under Planning

192
No. of Employees

7
No. of Projects under Development

3
No. of Future Projects

2025

18.97
Total Land Area (Mln sqm)

13
No. of Completed Projects

4
No. of Projects under Planning

194
No. of Employees

5
No. of Projects under Development

1
No. of Future Projects

Key Operating and Financial Results

First: Key Operating Results

Revenue from Infrastructure Projects

(All Amounts in SAR Mln)

2021	2022	2023	2024	2025
400.32	531.17	896.1	974.42	781.25

Revenue from Facilities Management

2021	2022	2023	2024	2025
25.21	37.19	99.86	61.75	83.31

Revenue from Lease

2021	2022	2023	2024	2025
263.42	289.62	302.1	337.99	366.87

Revenue from Construction Projects

2021	2022	2023	2024	2025
3.64	112.35	91.86	47.7	4.14

Revenue from Sale of Properties

2021	2022	2023	2024	2025
336.25	1,080.95	490.84	565.8	644.52

(All Amounts in SAR Mln)

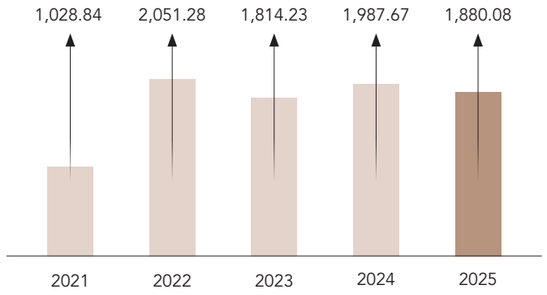
Total Revenue

2021	2022	2023	2024	2025
1,028.84	2,051.28	1,814.23	1,987.67	1,880.09

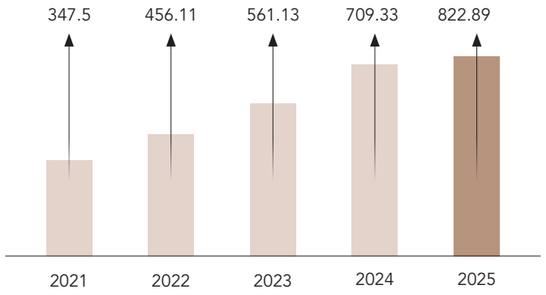
(All Amounts in SAR Mln)

Second: Key Financial Results

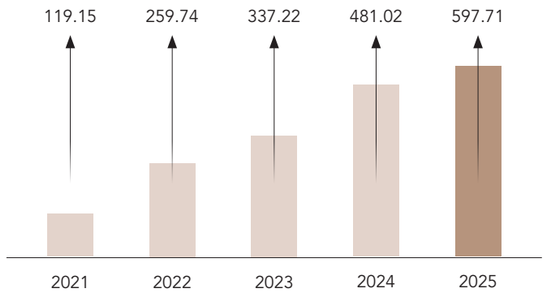
Development of Revenue over the Last 5 Years



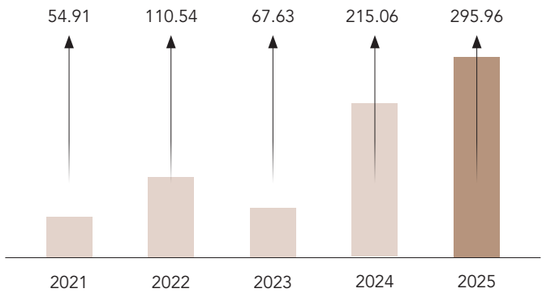
Development of Gross Profit over the Last 5 Years



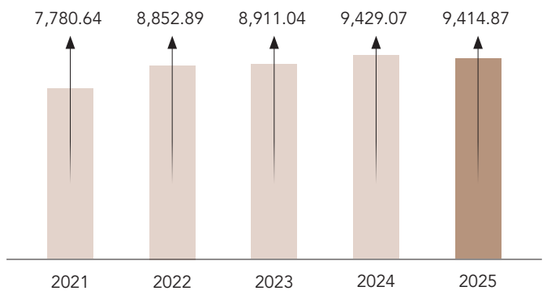
Development of Operating Profit over the Last 5 Years



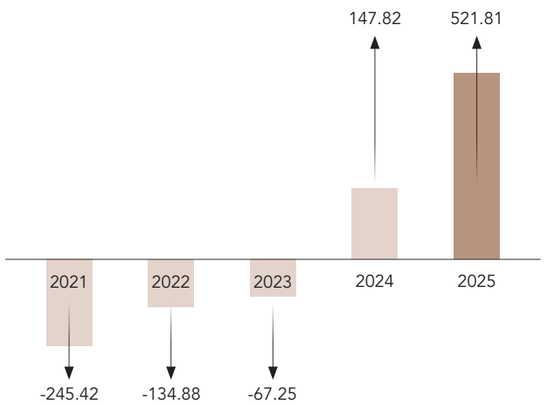
Development of Net Profit over the Last 5 Years



Development of Assets over the Last 5 Years

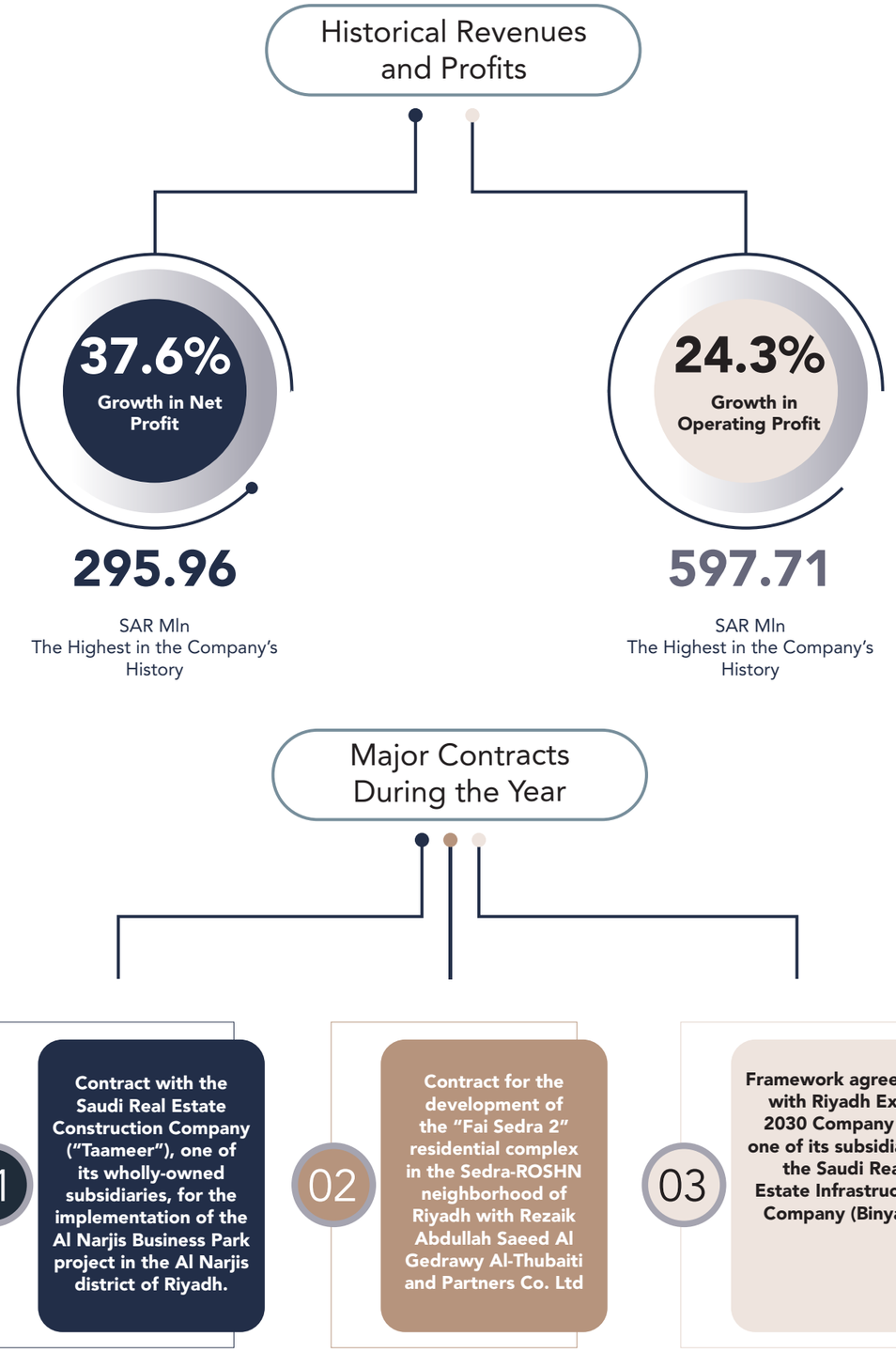


Development of Retained Earnings over the Last 5 Years



(All Amounts in SAR Mln)

Year at a Glance



Company Profile

The Saudi Real Estate Company (Al Akaria) was established in 1976 (1396 H) by virtue of Royal Decree No. (M/58) dated 15/07/1976 and a resolution of the Council of Ministers, as the first Saudi joint stock company to operate in the field of real estate development within the Kingdom. Since its registration in the Commercial Register in Riyadh in 1977, the Company has carried on its business with a share capital of SAR 600 million, and has gradually expanded its activities to become one of the most prominent national entities in the real estate development sector.

Over a journey spanning 49 years, the Company has played a pivotal role in establishing and developing the modern real estate sector in the Kingdom, and has contributed to the development of distinctive projects that have helped to meet the needs of the housing and business markets. With continued growth and the strengthening of its asset and investment base, the Company's share capital has increased to SAR 3.75 billion, reflecting the robustness of its financial position, the evolution of its business model, and shareholders' confidence in its ability to create sustainable value.

Company Activities

The Company carries out a range of integrated activities across the real estate value chain, including:

- **Owning and preparing developable land.**
- **Comprehensive real estate development and the construction of residential and commercial properties thereon.**
- **Selling and leasing developed properties.**
- **Managing real estate assets of all types.**
- **Undertaking contracting works for buildings, establishments, and infstructure.**
- **Carrying out all complementary and necessary activities to achieve its strategic objectives.**

The Company continues to implement its projects based on an approach that focuses on innovation, enhancing operational efficiency, and growing its asset portfolio, in line with its strategic directions and the aspirations of its shareholders to create sustainable value.

Vision

To build the finest living experience in the Kingdom of Saudi Arabia.

Mission

Redefining real estate experiences to be human-oriented, by adopting modern & innovative concepts.

Values

Quality:

Developing projects according to the highest world-class quality standards.

Integrity and Transparency:

Truthfulness, honesty, transparency, respect, and appreciation of customers.

Passion:

Constant passion for excellent performance and the innovation of diverse projects attracting customers.

Teamwork and Team Spirit:

A highly qualified and experienced cohesive work team, driven by team spirit and group work values.

Health and Safety:

Maintaining the health and safety of employees and providing them with a safe work environment to avoid any potential injuries.

Responsibility:

Ability to meet and abide by our promises to customers, maintain the safety of employees, and increase their productivity and awareness level.

Development and Innovation:

Consistently offering state-of-the-art solutions, breaking away from traditional prototypes, and continuously enhancing processes and measures.

Our Journey

1976
Establishing Al Akaria at a Capital of SAR 600 Mln

1982
Launching Olaya Oasis Residential Compound

1984
Inaugurating Al Akaria 1 Office Centre

1985
Inaugurating Al Akaria Al-Sitteen Office Centre

1986
Inaugurating Al Akaria 2 Office Centre

1993
Listing the Company Shares on Tadawul

1995
Inaugurating Al Akaria 3 Office Centre

1996
Launching Masaken Al Akaria DQ Residence

2006
Increasing the Capital to SAR 1.2 Bln

2008
◊ Acquiring an Equity Stake of 9.48% as a Partner in Knowledge Economic City Developers Company Ltd., which in turn, Owns 24.46% of Knowledge Economic City Co. (KEC)
◊ Acquiring an Equity Stake of 25% as a Founding Partner in Hail Cement Co.
◊ Establishing Dar Al Tamleek Company for Home Finance

2010
Inaugurating Al Akaria Plaza

2016
Establishing the Saudi Real Estate Construction Company (Tamear)

2017
◊ Establishing Al Akaria Hanmi (Edarah) for Project Management
◊ Establishing the Saudi-Korean Company for Maintenance and Property Management (Mumtalakat)
◊ Establishing Saudi Real Estate Infrastructure Company (Binyah)

2018
◊ Increasing Capital to SAR 2.4 Bln
◊ Establishing Alinma Al Akaria Real Estate Fund
◊ Establishing Al Widyan Saudi Real Estate Company (Al Widyan)

2019
◊ Announcing the New Corporate Identity of Al Akaria
◊ Opening La Casa Residential Compound

2020
◊ Launching Al Dhahia Residential Project
◊ Selling Al Akaria Entire Equity in Hail Cement

2021
◊ Increasing Al Akaria Equity Share in Tamear to 100%
◊ Disposal of the Company's Shares in Al Akaria Hanmi (Edarah) for Project Management

2022
◊ Increasing Capital to SAR 3.75 Bln
◊ Launching Al Akaria Park Project
◊ Liquidating Alinma Al Akaria Real Estate Fund

2023
Launching "Fai Sedra 1" Project

2024
Announcement of Contract Signing with Marriott Autograph

2025
◊ Signing a contract to execute "Narjis Business Park" Project with a Value of SAR 338.78 Mln
◊ Signing of the Construction Contract for the Residential Compound Project in "Fai Sedra 2" with a Value of SAR 425 Mln

Success Partners

روشن
ROSHN

الهيئة الملكية لمدينة الرياض
ROYAL COMMISSION FOR RIYADH CITY

ALULA
DEVELOPMENT COMPANY
شركة العلا للتطوير

شركة البحر الأحمر للتطوير

NHC
الوطنية للإسكان

هيئة تطوير بوابة الدرعية

وزارة البلديات والإسكان
Ministry of Municipalities and Housing

Hilton

MARRIOTT

القدية
Qiddiya

EXPO 2030 RIYADH
SAUDI ARABIA

Investment Case

01 History and Extensive Experience

Al Akaria has a distinguished history in the real estate sector spanning nearly half a century, which gives it strong capabilities to identify promising opportunities. The Company has played a significant role in shaping the Kingdom's urban development, especially in Riyadh, and was among the first to develop integrated commercial and residential communities. This historical depth forms a solid foundation for its future strategy.

02 Strong Institutional Support

The Public Investment Fund (PIF) is the Company's main shareholder, owning 64.577% of its share capital. PIF is the sovereign wealth fund of the Kingdom and one of the largest sovereign funds globally. It serves as a key national economic engine and a catalyst for growth and diversification, contributing to the establishment of major companies and the financing of strategic projects. This ownership stake provides Al Akaria with financial and administrative stability and strong alignment with Saudi Vision 2030.

03 Strategic Locations

Al Akaria owns a broad portfolio of carefully selected investment plots in prime strategic locations, offering exceptional opportunities for real estate development.

04 Diversified Revenues and Financial Growth

Al Akaria enjoys diversified sources of revenue, which helps reduce the risk of reliance on a single segment. Revenue streams include:

1- Revenue from the sale of land.
2- Revenue from the sale of residential units.
3- Lease revenue.
4- Revenues from infrastructure and construction projects.
5- Facilities management revenues.

05 Integrated Services

Al Akaria has undergone a major strategic transformation to become a full-service real estate company by establishing a group of specialized subsidiaries in collaboration with leading international and local partners. These subsidiaries provide a wide range of services, including property management, construction, and contracting.

06 Strong Financial Position

The strength of the Company's financial position is reflected in the growth of its assets over the years, with total assets estimated at around twice its liabilities. Total assets reached SAR 9.41 billion in 2025, while liabilities amounted to SAR 3.81 billion. Al Akaria financial strength is underpinned by the stability of its operating activities, which represents a key competitive edge relative to its peers in the sector.

07 Market Leadership

Al Akaria holds a leading market position within the Saudi real estate development sector, supported by a long-standing history and deep expertise in designing, developing, and managing large-scale real estate projects. Al Akaria was the first to develop gated residential communities in the Kingdom, underscoring its strong market insight and leadership in creating innovative real estate products.

08 Continuous Development and Innovation

The Company is committed to fostering innovation and continuous development with the aim of building modern, sustainable communities. Al Akaria incorporates advanced PropTech solutions to deliver sustainable offerings and actively contributes to the design of smart buildings and automation, in pursuit of an integrated smart lifestyle of the future. This direction is coupled with the application of the highest standards of quality, innovation, and sustainability, in addition to a firm commitment to environmental standards and social responsibility.

09 A Flourishing Economic Environment

Population growth in the Kingdom is driving demand for the Company's products, particularly given that youth represent the largest segment of the population. This demographic profile points to a promising future for the Saudi real estate sector. Moreover, the continued rise in the number of inbound tourists and visitors to the Kingdom serves as a major driver supporting the Company's activities, especially in the housing, hospitality, and retail segments.

10 Promising Growth Opportunities

Optimism is rising across the real estate sector as new regulations allowing foreign investors to participate in the Saudi real estate market are set to come into effect in January 2026. This development is expected to enhance market liquidity and strengthen the Kingdom's overall investment appeal. The Kingdom's real estate sector enjoys promising growth opportunities, driven by rapid urban expansion and mega projects currently underway. The Kingdom is also preparing to host major global events such as Expo 2030 and 2034 World Cup, which represent unprecedented and promising investment opportunities for companies operating in the sector.

Investor Relations and Shareholder Information

Date of Incorporation
1976

Date of Listing
1993

Capital Market
Main Market
(Tadawul)

Tadawul Short Name
Al Akaria

Company's Symbol on Tadawul
4020

ISIN Code
SA0007870047

Business Activity
Land Development and the Development and Management of Commercial Centers

Sector
Real Estate
Management & Development

No. of Issued Shares
375
Mln Shares

Nominal Value per Share
10
SAR

Paid-up Capital
3,750
SAR Mln

Foreign Ownership Percentage at the End of 2025
6.11%

Free Float Percentage
35.42%

Closing Share Price at the End of 2025
12.89

Highest Share Price During the Year
29.95

Lowest Share Price During the Year
12.30

Market Capitalization at the End of 2025
4,833.75
SAR Mln

Ownership Structure

Owner	Ownership Percentage as of 31/12/2024	Ownership Percentage as of 31/12/2025	Change (%)
Public Investment Fund (PIF)	64.577%	64.577%	0.00%

Investor Relations Contact Information:

For more information, please visit the Company's Investor Relations website at:
https://www.al-akaria.com/en/investors/

For any further questions or inquiries, please contact us directly via the following email:
investor.relations@al-akaria.com

Analyst Recommendations

In 2025, the Investor Relations (IR) Department continued its efforts to strengthen communication channels with leading financial institutions in a way that enhances institutional engagement and ensures the provision of accurate and transparent information that reflects the Company's performance and future direction. These efforts resulted in expanding the research coverage enjoyed by Al Akaria to include a select group of local, regional, and international financial and investment firms. Their reports assigned an "overweight" rating to the Company's stock, reflecting a consensus among analysts on the share's attractiveness and the strength of its future prospects.
As part of this year's achievements, Al Rajhi Capital initiated its research coverage of Al Akaria's stock for the first time, signaling growing institutional interest in the Company and its performance. The IR Department continues to expand its research coverage of the Company and is currently collaborating with several prominent financial institutions to issue additional research reports in the coming period.

Research House	Recommendation
Al Rajhi Capital	Overweight
HSBC	Overweight
EFG Holding	Overweight
GIB Capital	Overweight

Investor Relations (IR)

The challenge facing the Company's IR team was not merely a matter of regulatory compliance; rather, it was the alignment of communication channels with the radical transformation of the Company's business model. This involved keeping pace with the digital transformation of the Saudi Capital Market by establishing interactive channels that provide real-time access to information, thereby narrowing the information gap between the Company and the investor. The achievements Al Akaria in 2025 represent a new benchmark in managing the relationship between listed companies and their owners, where financial transparency converged with digital solutions to create a robust and sustainable investment environment.
The modernization strategy yielded substantial results that re-established the Company's prominence in the investment landscape, most notably:

☑ **Expansion of the Investment Base:** Attracting increased interest from international funds and family offices, driven by the precision of periodic reporting.

☑ **Investment Response Efficiency:** A tangible improvement in investor satisfaction metrics and response times to inquiries, leading to reduced information volatility regarding the Company's performance.

☑ **Leadership in Disclosure**: Elevating the Company's ranking in governance practices, positioning it as a role model within the real estate sector.

The Company capped these efforts by launching a digital IR system, a technological shift that grants shareholders full command of their data through:

☑ Self-service search for data and certificates, with documentation capabilities.

☑ Tracking the dividend cycle electronically through a secure, seamless digital environment.

International Presence and Institutional Engagement

1. Capital Markets Forum (CMF): The Company participated as a Mega Sponsor, conducting 18 intensive meetings covering more than 65 regional and global companies.
2. EFG Hermes Conference (Dubai): The Company engaged with more than 45 major investment entities through 100 representatives, strengthening its presence in one of the region's most prominent financial forums.

IR Achievements

Major Conference Participation	2 International Conferences
Investors' Call	2 Calls
Road Show	1
Total Meetings	+70
Total Meeting Attendees	+490
Digital Transformation	Launch of the Integrated Investor Relations System

Shareholders

The Company, represented by its Executive Management, informs the Board of Directors during their meetings of any shareholder proposals or comments. It should be noted that for the fiscal year ending 31 December 2025, the Company did not receive any written proposals or comments from any shareholders.

Protection of Shareholder Rights

The Company is committed to fulfilling all regulatory requirements to ensure the protection of shareholder rights. This includes, but is not limited to, ensuring fair treatment among all shareholders. The Board of Directors is dedicated to safeguarding these rights, maintaining equality, and monitoring financial performance through General Assembly meetings. Furthermore, the Company continuously updates its internal policies and procedures to ensure that all shareholders can exercise their statutory rights.
Mechanisms implemented by the Compliance Department to protect shareholder rights during the current year:

☑ Launching and announcing new reporting channels for stakeholders (via internal communication mail).

☑ Receiving and investigating reports with impartiality, following up on corrective action plans (if any), and preparing quarterly reports for the relevant authorities on the current status, challenges, and difficulties.

☑ Ensuring compliance with relevant laws and legislations that enhance shareholder rights protection and the Company's sustainability.

Foreign Ownership

Actual Ownership Percentage of Foreign Investors in the Company in 2025 Compared to the Previous Year

All Foreign Ownership

Maximum Limit:	49%
Actual Ownership as of 31 December 2025	6.11%

Stock Performance

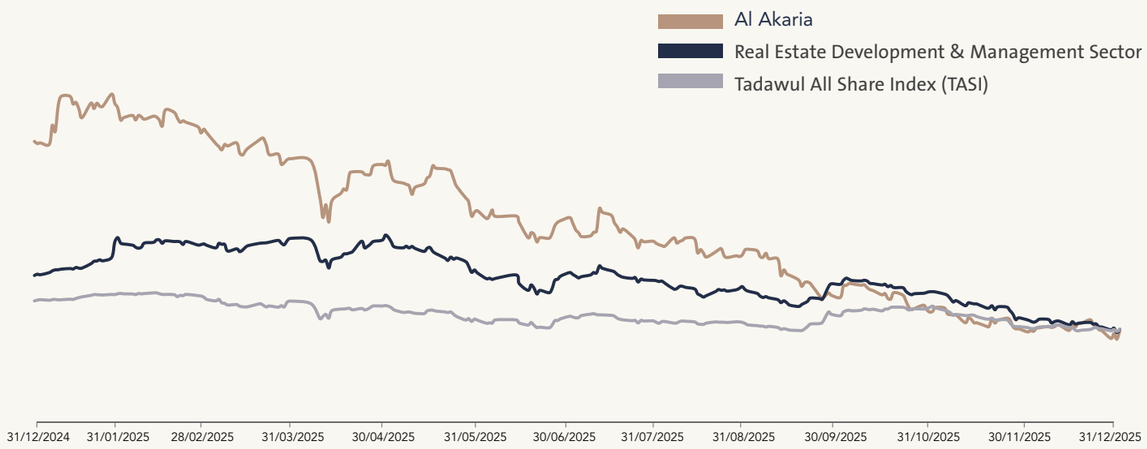
Monthly Performance of the Company's Share in 2025
Previous and Current Monthly Closing Prices (SAR)

Month	Current Closing Price	Previous Closing Price	Change	Change (%)
January	26.85	25.30	1.55	6.12
February	25.85	26.85	(1.00)	(3.72)
March	24.16	25.85	(1.69)	(6.53)
April	23.10	24.16	(1.06)	(4.38)
May	20.74	23.10	(2.36)	(10.21)
June	19.95	20.74	(0.79)	(4.82)
July	18.42	19.95	(1.53)	(7.67)
August	18.13	18.42	(0.29)	(1.57)
September	15.85	18.13	(2.28)	(12.57)
October	14.39	15.85	(1.46)	(9.21)
November	12.8	14.39	(1.59)	(11.05)
December	12.32	12.8	(0.48)	(3.75)

Monthly Trading Activity in the Company's Share in 2025

Month	Trading Volume (Shares)	Trading Value (SAR)	No. of Trades
January	19,393,714	529,603,673	41,157
February	7,578,040	202,536,968	21,581
March	9,830,842	242,974,996	25,050
April	20,362,009	456,037,842	40,292
May	9,828,022	220,823,214	26,119
June	6,325,519	124,160,560	20,735
July	16,812,877	329,666,452	47,172
August	15,595,456	280,923,685	37,430
September	22,957,616	363,800,671	44,277
October	28,322,993	432,140,621	48,691
November	25,154,841	342,420,385	45,712
December	15,732,306	206,567,779	27,886
Total	**197,894,235**	**3,731,656,846**	**426,102**

Al Akaria Share Performance Compared to Sector Index and TASI Index in 2025



S	Disclosure Date	Disclosure Title
1	16/01/2025	Announcement by Al Akaria regarding the acquisition of Sharia-compliant banking facilities from Bank AlJazira.
2	16/01/2025	Al Akaria Board of Directors invites its shareholders to attend the Ordinary General Assembly (OGA) meeting (first meeting) via modern means of technology.
3	06/02/2025	Announcement by Al Akaria regarding the sale of two land plots in Madinah and Riyadh for a total value of SAR 85,641,724 (excluding real estate transaction tax and brokerage fees).
4	10/02/2025	Announcement by Al Akaria regarding the results of OGA meeting.
5	17/02/2025	Announcement by Al Akaria regarding the appointment of the Chairman and Vice Chairman of the Board, the formation of Board committees, and the appointment of Company representatives.
6	17/02/2025	Announcement by Al Akaria regarding the formation of the Audit Committee.
7	17/02/2025	Supplementary announcement by Al Akaria regarding the announcement on the formation of the Audit Committee.
8	19/03/2025	Announcement by Al Akaria regarding its annual financial results for the year ended 31-12-2024.
9	15/05/2025	Announcement by Al Akaria regarding its interim financial results for the three-month period ended 31-03-2025.
10	04/06/2025	Al Akaria Board of Directors invites its shareholders to attend OGA meeting (first and second meetings, with the second to be held one hour after the first) via modern means of technology.
11	26/06/2025	Announcement by Al Akaria regarding the results of OGA meeting.
12	10/08/2025	Announcement by Al Akaria regarding its interim financial results for the six-month period ended 30-06-2025.
13	21/08/2025	Announcement by Al Akaria regarding the latest developments on signing a partnership agreement to establish a special purpose entity (SPE) owned by Al Akaria, Riyadh Holding Company, and Riyadh Development Company, to develop an educational complex for boys and girls on the designated plots within Tilal Al Riyadh Project.
14	14/09/2025	Announcement by Al Akaria regarding land subject to the White Land Tax.
15	05/10/2025	Announcement by Al Akaria urging its shareholders to deposit their share certificates into their investment portfolios and to collect dividends from previous years.
16	16/10/2025	Announcement by Al Akaria regarding the award of a project to Saudi Real Estate Construction Company (Tamear), its wholly-owned subsidiary, to execute the works of Narjis Business Park project in Narjis district in Riyadh.
17	16/10/2025	Announcement by Al Akaria regarding the award of a project to execute “Fai Sedra 2” residential compound in Sedra – Roshn district in Riyadh to Raziq Abdullah Saeed Al-Jidrawi Al-Thabeti and Partners Co., Ltd.
18	05/11/2025	Announcement by Al Akaria regarding the signing of the construction contract for “Fai Sedra 2” residential compound in Sedra – Roshn district in Riyadh with Rezaik Abdullah Saeed Al Gedrawy Al-Thubaiti and Partners Co., Ltd.
19	11/11/2025	Announcement by Al Akaria regarding its interim financial results for the nine-month period ended 30-09-2025
20	23/11/2025	Announcement by Al Akaria regarding the signing of a framework agreement with Expo 2030 Riyadh Company for its subsidiary, Saudi Real Estate Infrastructure Company “Binyah”.
21	30/11/2025	Announcement by Al Akaria regarding the signing of a contract with Saudi Real Estate Construction Company “Tamear”, one of its fully owned subsidiaries, to implement the works of Al-Narjis Business Park project in Al Narjes District, Riyadh.

Theme of the Year: “Rooted Identity… Sustainable Growth”

The year 2025 marked a new chapter in the journey of Al Akaria, adding yet another year of steady growth and progress aligned with the ambitions of Saudi Vision 2030. This overarching direction was not merely a slogan, but a reflection of concrete achievements supported by solid execution and institutional foundations designed to strengthen the Company’s competitive edge in the Saudi real estate market. The results achieved during the year reinforced the Company’s growing stature, not only as a long-established real estate developer, but also as a leading institution that focuses on operational excellence, enhancing work culture, and elevating customer experience.

The Company recorded profit growth for the fourth consecutive year, a key financial indicator of the effectiveness of its strategy and the efficiency of its cost management, in addition to its success in generating returns from sales and leasing projects. For Al Akaria, the concept of sustainable growth is tied to maximizing returns and diversifying income sources. The outcomes of strategy execution during 2025 confirmed the continuity of this approach, as the Company maintained an earnings growth trajectory and achieved profitability levels among the highest in its history.

Al Akaria believes its institutional identity goes far beyond visual elements; it reflects its deep commitment to its vision, mission, and core values. This identity is embodied in a vision to enrich life experiences within the Kingdom, and in a central mission focused on redefining the real estate experience around people, through embracing the concept of “humanizing cities”. The year 2025 witnessed a further strengthening of this human-centric approach, which constitutes the Company’s unique differentiator within the Saudi market and across the Middle East region.

Strategic Report

Chairman's Statement	38
Acting CEO's Statement	40
Overview of the Market and Sector	42
Company's Strategy	45
Business Model	48
Challenges and Opportunities.. One Step Ahead	52
Expansion and Future Outlook	56
Saudi Vision 2030	58
Digital Transformation and Automation	59
Cybersecurity	61
Occupational Health, Safety, and Environment (OHSE)	61
Sustainability	64

Chairman's Statement

Naif Saleh Al-Hamdan

Dear Shareholders of Al Akaria,

It is with pleasure that I present to you the Board of Directors' report for the 2025 fiscal year, titled "Rooted Identity... Sustainable Growth." This report marks a significant milestone in our corporate journey, aligning perfectly with the ongoing growth and changes that are transforming the Kingdom's real estate sector. These developments are fueled by Saudi Vision 2030 objectives, along with the increasing demands for governance, transparency, and operational efficiency.

Throughout 2025, the Company celebrated some impressive financial and operational achievements. Net income for our shareholders hit SAR 295.96 million, and Earnings per Share (EPS) climbed to SAR 0.79 marking our fourth straight year of growth. These results showcase the strength of our business model and the success of our asset management strategies. Additionally, they underscore the benefits of the collaboration between the parent company and its subsidiaries, creating a synergy that has diversified our income sources, enhanced our execution capabilities, and optimized how we invest resources across the entire Group.

Guided by the Board of Directors' responsibilities in governance, strategic oversight, and the protection of shareholder interests, the Board has continued to keep track of the implementation of our updated strategy extending through 2027. This roadmap is designed to ensure the growth of our income-generating asset portfolio, diversify revenue sources, accelerate digital transformation, optimize the capital structure, and further establish the principles of governance and sustainability.

In 2025, the Riyadh real estate market experienced some significant regulatory changes. Most notably, these included the regulation of the landlord-tenant relationship, achieving a more stabilized market. In addition, there were updates related to the White Land Tax program fees in Riyadh, which sparked a renewed emphasis on making the most of land use, speeding up urban development, and improving the efficiency of properties that were not being fully utilized.

This year marked some exciting developments at the project level, kicking off the Sedra 2 residential project and launching Al-Narjis Business Park. Alongside these achievements, we put the final touches on the restoration of Gate 6 and completed renovations on several units in the Diplomatic Quarter. Moreover, we saw a boost in completion rates for the Riyadh Hills commercial project and Al Reef Residential Compound, all of which enhance our portfolio's quality and pave the way for sustainable future returns.

The Company has been busy bolstering its practices in areas such as risk management, cybersecurity, human capital development, and safety. These initiatives are all about building trust with shareholders, investors, and all stakeholders, paving the way for more disciplined and sustainable growth. This commitment is underscored by the impressive achievement of "zero" lost-time injuries in construction activities throughout 2025.

We look forward with confidence to the next phase ahead, feeling extremely confident thanks to our clear strategy, a strong project portfolio, a solid financial foundation, and an incredibly talented team. All of these elements empower the Company to continue delivering sustainable value to its shareholders.

Finally, I would love to extend my sincere gratitude and appreciation to our wise leadership, may God protect them, for their unwavering support of the development journey. I also thank my colleagues on the Board of Directors, the executive management, all company employees, and our esteemed shareholders for their continued support and trust.

Acting CEO's Statement

Khalid Alsehaibny

To our valued shareholders and partners in success,

The year 2025 marked a pivotal moment for Al Akaria. We continued to strengthen our identity and build a robust asset portfolio, all while keeping our eyes on sustainable growth. Our primary focus was on maximizing asset value, boosting operational efficiency, and speeding up our digital transformation, in line with Saudi Vision 2030 objectives.

On the operational level, we kept pushing to improve the customer experience while also tightening up our operational practices. Some of our standout achievements this year included automating our leasing business platform using the SAP system and rolling out new policies and procedures for the Company's sectors. We also undertook multiple restoration and operational tasks at once, making sure our business kept running smoothly and our tenants had a great experience. The way our Group-level business model works, thanks to the collaboration between the parent company and its subsidiaries, significantly helped us implement these changes, boost operational efficiency, and create consistent standards. You could see this synergy in the quality of our deliveries, the speed of execution, and the positive impact our projects had both operationally and financially.

In 2025, we kicked off and ramped up several strategic projects aimed at diversifying our revenue and enhancing asset quality. We started work on the Sedra 2 residential project and Al-Narjis Business Park office project, wrapped up the restoration of Gate 6, and completed renovations on multiple units in the Diplomatic Quarter.

Additionally, we saw faster completion rates for the Riyadh Hills commercial project and Al Reef Residential Compound, all while maintaining a balanced approach that considers market dynamics and strives to boost operational readiness and maximize value.

In view of the regulatory changes we have seen in Riyadh throughout 2025, especially the landlord-tenant relationship regulations and the heightened demands for efficient portfolio management and asset yield optimization, along with the updates to White Land Tax program fees and the increased emphasis on being development-ready, we have steadfastly focused on boosting revenue quality, speeding up project readiness, and enhancing asset management efficiency. These initiatives are pivotal to keeping our Company's portfolio competitive and ensuring we remain operationally resilient.

As we look ahead to 2026 and beyond, we are filled with confidence and a strong commitment to enhancing the customer experience. We are focused on speeding up our digital transformation, strengthening our strategic partnerships, and improving spending efficiency, all while ensuring good governance. All these initiatives are crucial to fostering sustainable growth and solidifying our position as a top player in the real estate development industry.

Finally, I would love to express my heartfelt gratitude to the Board of Directors for their unwavering support and guidance, to our valued shareholders for their trust, and to all our dedicated employees across the parent company and its subsidiaries. Your hard work truly forms the backbone of our success.

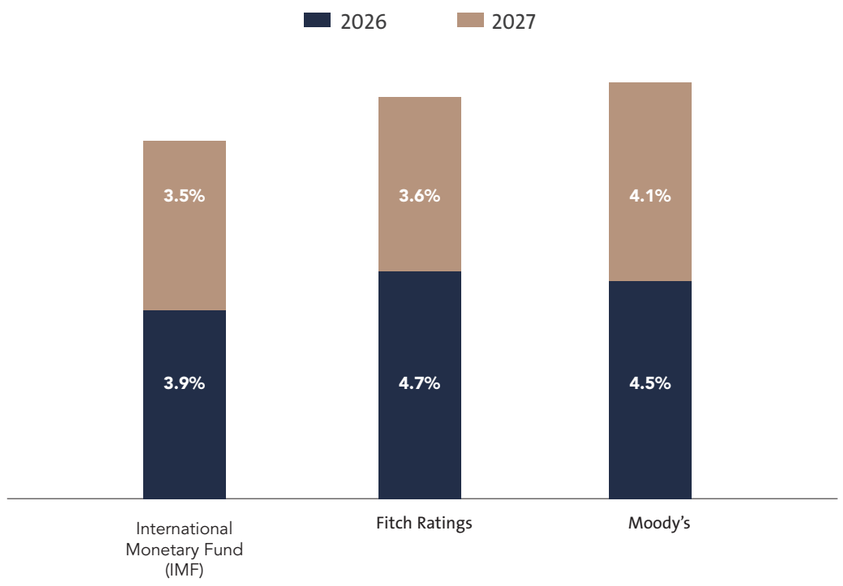
Overview of the Market and Sector

Macroeconomic Momentum Accelerates

Forecasts indicate that the Saudi economy is on track to achieve strong and sustainable growth, supported by structural shifts resulting from the economic reforms launched in 2016, robust fiscal buffers, and continued expansion in the non-oil sector. These fundamentals place the Kingdom in a strong economic position, enabling it to navigate uncertainty in the global economy.

In 2026, the Gross Domestic Product (GDP) is expected to grow by around 5%, driven by two key factors: a recovery in crude oil production levels with the gradual easing of OPEC+ constraints, and continued strong growth in the non-oil sector.

Saudi Economic Growth Outlook for 2026–2027



Sources: International Monetary Fund (IMF), Fitch Ratings, and Moody's

Domestic demand is one of the core drivers of non-oil sector growth in the coming years, as population growth and rising domestic spending support aggregate demand and reduce reliance on volatile external factors such as oil prices or global trade. This growth also encourages the private sector to step up investment in infrastructure and housing, among other sectors.

In 2026, the International Monetary Fund (IMF) expects the Kingdom's GDP to grow by around 4%, also driven by the gradual easing of oil production constraints. Major upcoming global events, such as the 2029 Asian Winter Games, Expo 2030, and the 2034 World Cup for football, are also expected to support economic growth, given the significant investments required in infrastructure and public facilities, which will positively impact non-oil activity and support sustainable GDP growth.

Real Estate Momentum

The Kingdom's real estate sector continues to cement its role as a key driver of economic growth, supported by increasing population and a rising resident base, as well as sizeable government investments aimed at urban development and improving quality of life. In recent years, the sector has undergone an important structural transformation aimed at increasing its contribution to GDP in line with the objectives of Saudi Vision 2030. Regulatory developments, particularly allowing non-Saudis to own real estate, have enhanced its attractiveness and strengthened its competitiveness regionally and globally.

Alongside real estate growth, the tourism sector has emerged as a supporting lever that boosts demand for hospitality and real estate products. The travel item in the balance of payments recorded a surplus of SAR 32.2 billion in the first half of 2025, reflecting increased tourism flows and a wider range of related activities. The "World Tourism Barometer" report also highlighted the Kingdom's exceptional performance, ranking first globally in the growth of international tourism receipts, and achieving a 102% increase in international tourist arrivals compared with the 2019 baseline period.

This tourism momentum supports real estate activity by expanding the tourism licensing ecosystem, increasing capacity across tourism facilities, and backing promising tourism projects, creating new jobs and stimulating hospitality, housing, and retail sectors. With tourist arrivals expected to reach 150 million annually by 2030, the outlook for the real estate development sector strengthens, particularly for hospitality and mixed-use developments, creating promising opportunities for Al Akaria to expand its portfolio and contribute to shaping the Kingdom's urban landscape.

Drivers of Real Estate Sector Growth in the Kingdom:

01 Population and Demographic Growth

02 Government and Private Investments

03 Legislative Reforms and Real Estate Policies

04 Mega Growth Projects

The sector's accelerated performance reflects the impact of population growth and a rising resident base on increasing demand for residential, commercial, and hotel real estate products. In turn, developers are expanding their projects and rising supply, enhancing the quality and competitiveness of real estate products. Government investment continues to play a vital role in supporting the sector. The Public Investment Fund (PIF) has allocated around SAR 1.3 trillion to the real estate sector, including SAR 400 billion for critical infrastructure projects. Over the next five years, the PIF's plans include adding 90,000 hotel rooms and 200,000 real estate units, helping meet the needs of population and economic growth.

On the regulatory front, allowing non-Saudis to own real estate is expected to bring a step change to the sector, as part of a broader framework of more than 20 real estate legislations aimed at organizing the sector and enhancing its attractiveness and reliability. This direction is expected to help attract Foreign Direct Investment (FDI), support the retention of global talent and expertise, and increase the real estate sector's contribution to GDP, which reached 14% by the end of 2024. This momentum also supports a new wave of demand driven by national giga-projects such as NEOM and Diriyah, contributing to reshaping the sector over the medium and long term.

Company's Strategy

The strategy of Al Akaria stems from its corporate identity, which embodies its vision, mission, and core values. The strategy aims to enrich living experiences in the Kingdom by redefining the real estate experience and embracing the Humanization of Cities concept. As part of strengthening financial stability and improving the capital structure, the Company adopted its 2021-2025 Growth Strategy. In December 2023, the Company updated its strategy and extended its scope through 2027, with a focus on growing the income-generating asset portfolio to ensure stable and sustainable cash flows.

The Company's strategy focuses on developing its land portfolio, either selling it as developed plots/units or investing it in commercial real estate projects, thereby supporting business expansion and delivering added value to shareholders.

Targeted Pillars

First Pillar

Strengthening the Internal Position

Objective

Developing the institutional capabilities and building a solid financial structure.

Execution Approach

Developing the operating model, building a sound financial structure, maintaining cash liquidity, and elevating institutional capabilities.

Second Pillar

Renewing the Current Real Estate Portfolio

Objective

Improving the efficiency and profitability of existing income-generating assets.

Execution Approach

Continuing to enhance and renovate current properties to improve operational efficiency.

Third Pillar

Strengthening Subsidiaries' Investment Portfolio

Objective

Enhancing the investment and operational value of subsidiaries.

Execution Approach

Monitoring the growth of "Saudi Arabia Real Estate Infrastructure & Construction Co. (Binyah)", managing the strategic transformation of "Tameer", and strengthening operational integration and local expansion of "Mumtalakat".

Fourth Pillar

Growth and Expansion of the Real Estate Portfolio

Objective

Achieving financial balance by balancing operating projects and build-to-sell projects.

Execution Approach

Focusing on expanding real estate development to increase the income-generating portfolio and launching residential projects that meet rising market demand.

Business Model

Al Akaria adopts an integrated, diversified business model that supports achieving its strategic objectives by combining real estate development and investment, thereby enhancing cash flows and sustaining growth.

This model is built on diversifying activities, the real estate portfolio, and investment assets, supported by a network of subsidiaries that provide integrated services supporting the Company's operations inside and outside the Kingdom.

Al Akaria's business model is based on two main bases:

1

Asset Diversification:

Al Akaria holds a diversified portfolio, including undeveloped lands with high growth potential, as well as income-generating commercial and residential complexes, enhancing financial stability and supporting sustainable revenue streams.

2

Direct Investments:

Al Akaria maintains direct cash investments in subsidiaries and other companies, enabling greater integration across the real estate value chain and providing integrated services that support development and investment activities.

Operational Integration of Subsidiaries

Subsidiaries are core part of the Company's business model, contributing to operational integration and improved efficiency by providing key services that support the parent company's operations. The key roles of these subsidiaries include:

1

Asset Management and Operations:

Overseeing the operation and management of existing income-generating real estate assets, enhancing operating quality and utilization efficiency.

2

Contracting Execution:

Executing contracting agreements for Al Akaria's projects, ensuring compliance with quality standards and timelines, and improving execution efficiency.

Key Activities of Al Akaria and its Subsidiaries

Key Activities		Description and Objective
Land investment, real estate development, real estate investment, and the sale of villas and land.	Development and Investment	The acquisition of strategic land plots in prime locations based on rigorous market studies and delivering integrated development solutions (residential and commercial) in accordance with the highest standards of quality and innovation.
Infrastructure and contracting, as well as Build-Operate-Transfer (BOT) contracts.	Engineering Services and Infrastructure	Delivering infrastructure services and contracting works (roads, networks, and bridges) with a focus on quality and entering into partnerships with the public sector and key clients (such as ROSHN and the Ministry of Municipalities and Housing), as well as national giga-projects such as Diriyah Gate and Expo 2030.
Property and facilities management, leasing offices and showrooms, maintenance, and operations.	Management, Operations, and Support	Providing integrated solutions for maintaining, operating, and managing buildings, facilities, and properties, and offering flexible leasable spaces for businesses.
Consultancy and management services, fit-out works, and interior design.	Specialized Services	Providing specialized consultancy in construction and marketing, ensuring robust project oversight, and delivering turnkey supply and installation services for fit-outs and interior design.

Target Sectors

Residential Sector	Middle, Upper-Middle, and High-Income segments	Objective	Provide diverse housing options that meet all levels of demand.
Commercial and Showrooms Sector	Offices (including community-centric workspaces) and commercial showrooms.	Objective	Support strong growth in the business sector.
Hospitality Sector	Upper-tier hotels (four- and five-star).	Objective	Meet accommodation requirements for business and leisure travel.
Mixed-use Assets	Develop community-inspired assets.	Objective	Create fully serviced, integrated urban environments that enhance quality of life.

Target Markets

Riyadh and Jeddah

To strengthen presence at the heart of the Kingdom's development landscape.

PIF Projects that Support Saudi Vision 2030 Objectives

New projects implemented under the PIF's umbrella, which will form future vibrant urban centers.

Target Customers

Residential Complexes

Middle- and Upper-Middle income families seeking to acquire modern, distinctive housing units within fully serviced, integrated urban communities.

Business Sector

Companies and institutions require office spaces of various sizes within fully serviced business complexes and facilities.

Hospitality and Leisure Sector

Travelers (for business and leisure) seeking a premium, integrated hospitality experience. Families and individuals seeking an integrated lifestyle that combines shopping with diverse entertainment experiences.

Challenges and Opportunities.. One Step Ahead

During 2025, Al Akaria encountered a number of regulatory and financial challenges that required a swift and flexible response to enhance operational efficiency and manage risks effectively. In this context, the Company accelerated the pace of developing underutilized lands to generate viable returns and avoid related fees, which improved the efficiency of the real estate portfolio and reduced the potential financial impact of regulatory challenges.

Al Akaria successfully transformed these challenges into opportunities for growth and value enhancement by improving asset management, raising operational readiness, and leveraging regulatory and economic conditions to strengthen its competitive position in the market.

Mechanisms to Address 2025 Challenges

Challenges	Measures	Strategic Objective	Outcome
Real Estate Balance Program	Commencing the implementation of flagship projects such as: "Narjis Business Park", and fast-tracking studies for the "L'Avenir" and "Porta Jeddah" projects.	Converting cost into value: Activating assets and generating returns.	Enhancing portfolio efficiency and mitigating the potential financial impact of regulatory challenges.
White Land Tax (financial burdens on undeveloped land).	Divesting from non-strategic lands, based on the updated 2023 strategy.	Optimizing portfolio efficiency: selling non-core lands before the relevant decisions take effect.	Enhancing portfolio efficiency and mitigating the potential financial impact of regulatory challenges.

Al Akaria worked with a proactive approach through launching a number of strategic and operational initiatives during 2025, as follows:

Strategic Initiatives and Achievements in 2025

Sales and Asset Management (Revenue Generation and Asset Monetization)

- ☑ Commencing the sale of the remaining residential plots in "Al Akaria Park" project.
- ☑ Commencing the sale of the commercial land plot in "Al Akaria Park" project.
- ☑ Implementing the approved plan for divesting non-strategic shares and lands (to improve portfolio structure and generate liquidity).
- ☑ Launching "Fai Sedra 2" project (Residential expansion and business growth).
- ☑ Launching "Narjis Business Park" project (Office sector expansion and business growth).

Operational Efficiency and Development (Process Restructuring and Quality Assurance)

- ☑ Building an operational model to manage the Development Department and establishing a performance monitoring system.
- ☑ Defining checklists and conducting quality inspections for approved project handover deliverables.
- ☑ Launching an integrated digital platform to manage real estate development operations.
- ☑ Raising the level of automation through:
- ○ Preparing the unified customer platform "Souq Al Akaria (Market Place)".
- ○ Launching the unified employee platform "SAP Fiori".
- ○ Developing and expanding the use of digital systems to automate internal processes.

Governance and Institutional Investment (Compliance and Return Enhancement)

- ☑ Implementing the governance maturity plan to contribute to protecting stakeholders' interests.
- ☑ Implementing new income-generating investment plans (to diversify revenue streams and increase returns)
- ☑ Activating Enterprise Project Management Office (E-PMO): Establishing a unified framework and clear methodologies for planning, executing, and monitoring initiatives and projects.
- ☑ Achieving profit growth for the fourth consecutive year.

Asset Portfolio (Income-Generating Assets)

- ☑ Expanding the income-generating asset portfolio through modernizing existing assets.
- ☑ Completing most works for Al-Reef Residential Compound in the Diplomatic Quarter and Tilal Mixed-Use Commercial Centre in Al Malqa District.

Customer Experience and Human Capital (Internal and External Quality)

- ☑ Conducting periodic customer satisfaction assessments.
- ☑ Developing standards and identifying high-performing teams based on an approved methodology.
- ☑ A structured approach aimed at improving and creating a positive work environment.

Expansion and Future Outlook

Al Akaria adopts an expansion strategy aimed at developing leading, high-quality projects that enhance the urban landscape and meet market needs. This strategy focuses on commercial and residential development sectors and the hospitality sector, supporting portfolio diversification and improving asset efficiency.

As part of its forward plans, the Company intends to continue expanding real estate development projects in the Kingdom's main cities, with a focus on the following:

- Developing distinctive residential projects that meet rising market demand.
- Establishing mixed-use commercial complexes that enhance urban vibrancy and support economic activity.

In this context, the Company is preparing development studies for "Al Akaria 1 Complex" to be a flagship project in Riyadh, reflecting its direction toward delivering high-quality real estate products that enhance the urban landscape and meet local market needs, and serving as a notable addition to Al Akaria's real estate portfolio.

The Company is expected to deliver strong performance in the coming period, both operationally and financially, supported by the handover and operation of new projects. Continued growth in revenues and profits is expected to strengthen market share and reinforce the Company's competitive position.

Action Plan 2026

Plan and Design of "Al Akaria 1" Project

Objective

Finalize the plan and design.

Launch Sales of "Sedra 2" Project

Objective

Support the Company's strategy for residential expansion and increase cash flows.

Handover of Al-Reef" Residential Compound" Project

Objective

Strengthen the ready-to-operate project portfolio and diversify income sources.

Completion of Handover of Residential Units for "Sedra 1" Project

Objective

Achieve housing enablement targets and support the Company's operational and financial results through revenue recognition.

Saudi Vision 2030

Saudi Vision 2030 represents a comprehensive national framework built on three integrated foundations: A Vibrant Society, a Thriving Economy, and an Ambitious Nation. Citizen empowerment and improving the quality of life are cornerstone objectives of this ambitious vision.

Since its launch in 2016, the Kingdom's Vision has contributed to wide-ranging positive transformations across the Kingdom's regions and cities, reflected in infrastructure development, improved quality of life, and enhanced economic opportunities. The real estate sector stands out as a key driver in supporting Saudi Vision objectives and achieving sustainable development.

To maximize the role of the real estate sector in achieving Saudi Vision 2030 objectives, a comprehensive strategy was adopted to develop a modern, sustainable sector that enhances competitiveness, based on the following foundations:

- **Addressing market challenges:** Working toward a more stable real estate market that is more attractive to investment.
- **Promoting innovation:** Adopting modern technologies in construction and design to support sustainable sector growth.
- **Developing the legislative environment:** Strengthening the business environment by enacting advanced laws and regulations.
- **Enhancing governance and transparency:** Raising the regulatory standards and providing accurate market data that enhances market efficiency.
- **Empowering the private sector:** Supporting private-sector participation in leveraging real estate opportunities that contribute to economic growth, job creation, and expanding housing and investment options.

Al Akaria's strategy aligns with Saudi Vision 2030 objectives, as the Vision is one of the key inputs shaping the Company's strategic direction. This alignment is reflected in flagship initiatives serving national objectives, most notably:

- **Enabling Saudi homeownership:** By contributing to increasing homeownership rates among citizens, which is a key foundation under the Vibrant Society pillar.
- **Developing integrated urban communities:** By focusing on "humanization" concepts and placing people at the heart of urban design, in line with Quality of Life objectives and the provision of integrated residential and service environments.

The Company remains committed to continuing the delivery of high-impact projects aligned with the Kingdom's development directions and meeting the expected rise in demand as the Kingdom hosts major global events in the coming years.

Al Akaria at the Heart of Major Events

Hospitality Sector

- Working on executing a number of hotel projects, such as "Porta Jeddah" and "L'Avenir" projects.
- Meeting rising accommodation requirements and supporting tourism sector growth.

Premium Office Spaces

- Developing flagship projects such as "Narjis Business Park".
- Providing advanced office spaces suited to the needs of global companies seeking expansion and investment in the Kingdom.

Supporting Tourism Infrastructure

- Exploring sustainable investment opportunities.
- Supporting and developing tourism infrastructure in the Kingdom, in line with Saudi Vision 2030 objectives for this sector.

Digital Transformation and Automation

Al Akaria places digital transformation and service automation at the top of its strategic priorities, driven by its belief in the importance of enhancing the efficiency of the business model and delivering high-quality services enabled by modern solutions and technologies. This direction aligns with the Company's commitment to supporting Saudi Vision 2030 objectives for building a knowledge- and innovation-based economy and strengthening reliance on digital technologies across sectors.

Digital transformation is one of the key drivers of operational efficiency and business environment development, as the Company aims to automate all feasible services by 2027. The Company has made tangible progress on this track, with automation reaching approximately 55% in December 2025, while continuing efforts to gradually increase this percentage over the coming years.

Digital Transformation Strategy Pillars

The Digital Transformation Department plays a pivotal role in leading this institutional change by focusing on three main themes aimed at elevating performance and strengthening operational excellence:

☑ **Process Automation:** To improve operational efficiency, accelerate procedures, and make them easier through technology-enabled solutions.

☑ **Enhancing the Digital Customer Experience:** To deliver advanced, seamless services through digital channels, enhancing experience value and increasing customer satisfaction.

☑ **Digital Governance:** To ensure technology systems align with international best practices and standards, and to provide technical tools that support the Company's strategic objectives.

Key Digital Platforms and Projects for 2025

A digital interface for sales and contracting processes, accessible to customers remotely.	**Description**	**Unified Customer Platform**	**Effectiveness** Integrated with the Enterprise Resource Planning (ERP) system, and connected to national platforms (Nafath, e-signature, and GoPay).
Enables employees to execute and complete all operational transactions from anywhere, with direct linkage to the email system for approvals.	**Description**	**Unified Employee Platform (SAP Fiori)**	**Effectiveness** Improves employee efficiency and speeds up completion of internal transactions.
Enables shareholders to access their data, submit certificate authentication requests, and track dividends electronically.	**Description**	**Investor Relations (IR) System**	**Effectiveness** Enhances transparency and facilitates secure, seamless communication with shareholders.
Enables residents and employees to manage daily life digitally (visitor registration, facility bookings, and complaints).	**Description**	**Al Akaria Compounds Management App**	**Effectiveness** Enhances effective engagement with beneficiaries and improves the quality of life in the compounds.
End-to-end automation of the land title transfer journey through to handover, and a unified platform to receive operational requests for all departments.	**Description**	**Task Management System**	**Effectiveness** Enhancing governance efficiency, accelerating asset handover, and ensuring integration across departments.
Automating the procure-to-pay cycle, strengthening monthly closing and financial planning processes, and activating the internal task management system.	**Description**	**ERP System Upgrade (Financial and Commercial Planning)**	**Effectiveness** A fundamental upgrade across the financial, commercial, and business support functions, and resolution of more than 200 technical enhancement requests.

Cybersecurity

Al Akaria adopts an integrated cybersecurity strategy aimed at protecting its technical infrastructure and strengthening its ability to address digital risks by focusing on continuous training, knowledge sharing, and enhancing incident reporting and response mechanisms. The Company implements a set of measures to ensure the highest levels of cyber protection, including:

- Applying antivirus and anti-malware solutions.
- Continuously updating systems and closing security vulnerabilities, with updated firewalls enabled.
- Complying with standards and policies issued by the National Cybersecurity Authority (NCA) and other relevant regulators.
- Implementing a comprehensive contingency plan that includes incident response procedures, disaster recovery, and business continuity.

This integrated digital framework supports the Company's strategic objectives, strengthens governance and operational efficiency, and enhances integration across departments and technology systems.

Occupational Health, Safety, and Environment (OHSE)

Al Akaria places strong emphasis on applying the highest Occupational Health, Safety, and Environment (OHSE) standards as a core pillar of its strategic and operational approach. The Company's ISO 45001 certification reflects its firm commitment to applying global best practices in occupational health and safety management and strengthening a safety culture in the workplace.

The Company believes this approach represents a strategic factor that contributes to:

☑ Providing a safe, attractive work environment that supports talent acquisition and retention.

☑ Ensuring the safety and well-being of all stakeholders.

☑ Enhancing the Company's reputation and strengthening its reliability in the market.

Occupational Health and Safety (OH&S) Procedures

Employees and Workers

Periodic Risk Reviews

Reviewing risk classifications and containment measures to ensure maximum effectiveness in reducing or eliminating risks entirely.

Continuous Training and Awareness

Conducting regular training courses in Health, Safety, and Environment (HSE) fields.

Reporting and Active Participation

Giving all employees the opportunity to report any potential risks, and encouraging them to provide feedback on safety aspects and Personal Protective Equipment (PPE).

Service Providers

Pre-approval and Readiness

Conducting interviews with technical teams and Health, Safety, and Environment (HSE) teams for pre-approval and to ensure readiness for assignments.

Developing Tailored Plans

Preparing specific Health, Safety, and Environment (HSE) plans for each service provider in line with project specifications and requirements.

Periodic Risk Assessment

Preparing and assessing risks for each task separately and reviewing them periodically to apply any necessary changes to work procedures or equipment.

Field Projects

Health and Safety Management Structure

Assigning a project manager or a manager responsible for HSE to manage the file and provide a clear organizational structure.

Implementation Team Responsibility

The Quality and HSE team is assigned to implement the occupational management system and coordinate effectively with execution teams (engineers, supervisors, team leaders).

Site Training Programs

Delivering comprehensive training programs (general and task-specific risks) for on-site personnel, including: safe handling of chemicals, reporting incidents and near-misses, safe use of ladders and PPE, and hazardous waste management.

Zero Incidents During 2025

0	Fatalities Due to Work-related Illnesses
0	Recorded Cases of Work-related Illnesses
0	Main Types of Work-related Illnesses

Sustainability

Al Akaria adopts an integrated sustainability approach that transcends regulatory compliance requirements to include proactive initiatives across Environmental, Social, and Governance (ESG) areas. This commitment aligns with the Company's Theme of the Year, "Rooted Identity… Sustainable Growth", reflecting its direction toward creating long-term value for all stakeholders.

The Company's sustainability approach is based on three main pillars:

- **Environmental Pillar:** Focusing on improving energy and water consumption efficiency by applying smart lighting technologies, improving building insulation, using greywater recycling systems, and expanding green areas in the Company's projects.
- **Social Pillar:** Prioritizing customers and employees at the heart of the strategy, and supporting corporate social responsibility (CSR) and localization programs to improve quality of life and develop the national workforce.
- **Governance Pillar:** Enhancing transparency and protecting shareholders' rights, in addition to developing policies and procedures that ensure fair human resources management in line with best practices.

Al Akaria Sustainability Pillars 2025

First: Governance Pillar

Shareholders and Investors	• **Providing appropriate information in a timely manner (fairness and transparency).** • **Implementing strict policies for financial disclosure and performance reports.** • **Continuing to support and activate the Investor Relations (IR) Department to ensure fast and efficient handling of inquiries.**	**Strengthening trust and transparency, and protecting shareholders' rights.**
Employees	• **Aligning Human Resources (HR) policies with effective governance standards.**	**Ensuring transparent and fair talent management and institutional stability.**

Second: Social Pillar

Customers	• **Providing fully serviced leasable units (residential and commercial).** • **Providing multiple communication channels and fast, effective responsiveness.** • **Fast and effective response to customer requests.**	**Achieving customer satisfaction as a key driver of the strategy and maximizing asset value.**
Human Capital	• **Attracting talent and developing the workforce's professional capabilities.** • **Raising Saudization levels and supporting the local labor market.** • **Embedding an attractive work environment that enhances employee well-being and stability.**	**Strengthening human capital sustainability and adherence to social governance standards.**
Corporate Social Responsibility (CSR)	• **Donating a total of SAR 100,000 to the Children with Disability Association.** • **Developing projects that meet real estate market needs (sales and leasing).**	**Demonstrating direct commitment to the community and contributing to social and economic development.**

Third: Environmental Pillar

Energy and Lighting Efficiency	• Adopting energy-efficient LED lighting across all projects. • Installing smart control systems (motion sensor, photocell, timer) in common areas. • Specifying lighting units with high energy-efficiency types.	Reducing electricity consumption and contributing to net zero emissions.
Sustainability in Real Estate Development	• Using internal wall insulation to reduce thermal loads. • Using environmentally friendly paints. • Applying smart control and monitoring systems in units.	Implementing sustainable building practices to reduce the operational carbon footprint.
Water Management and Consumption Rationalization	• Reusing greywater for irrigation and toilet flushing. • Treating wastewater for irrigation. • Desalinating well water and installing separate meters to control consumption.	Reducing consumption of fresh/potable water and adopting the principle of reuse.

Enhancing Energy Efficiency for 2026

During 2026, Al Akaria intends to begin supplying a Variable Frequency Drive (VFD) system for HVAC system pumps. This smart system aims to regulate pump performance based on actual demand, contributing to tangible economic and environmental savings by reducing energy consumption, improving temperature control, and enhancing operational efficiency.

Human Capital: Performance, Sustainability, and Saudization

Al Akaria places significant focus on developing human capital and strengthening the work environment by prioritizing higher Saudization indicators and applying a structured methodology for managing talent and grievances. The Human Capital Management (HCM) strategy through 2027 is built on three main foundations aimed at redefining HR's role and strengthening the Company's position as an employer of choice:

Strategic Business Partner	Employer of Choice for Talents	Culture of Belonging and Engagement
To position the HR Department as a strategic partner to business units, and an active contributor with executive management in making the Company's strategic decisions.	To make Al Akaria the preferred destination and optimal workplace for attracting high-caliber talent and standout market competencies.	To build an interactive corporate culture characterized by a high level of employee belonging and engagement.

Attractive Work Environment

The HR Department is dedicated to enhancing the internal work environment through a set of initiatives and measures aimed at raising satisfaction and belonging and improving the employee experience, including:

- **Measuring satisfaction and belonging:** The Company conducts an annual employee engagement survey to measure employee satisfaction and belonging levels, enabling management to track overall trends and take the required corrective actions.
- **Shaping the work climate and safeguarding rights:** Management conducts periodic reviews of the executive regulations to safeguard the rights of employees and the Company, ensure balance in the contractual relationship, and clearly define rights and obligations, while considering ongoing changes in the labor market and relevant regulations.
- **Implementing a digital HR management system:** The Company utilizes SAP Fiori to manage most HR processes, reducing dependence on paper-based processes and enabling employees to submit their requests electronically, with access via computers and smartphones.
- **Continuous training:** Management provides specialized and general training programs to develop employee skills and raise efficiency. The Company is also committed to training higher education students at a rate of not less than 2% of the total number of employees in support of human capability development, in addition to disclosing annual training data via the "Qiwa" platform.

Training Courses for 2025

109	88	21	97
Number of Training Courses	Number of Trainees inside the Kingdom	Number of Trainees outside the Kingdom	Total Number of Trainees

Employee Stability

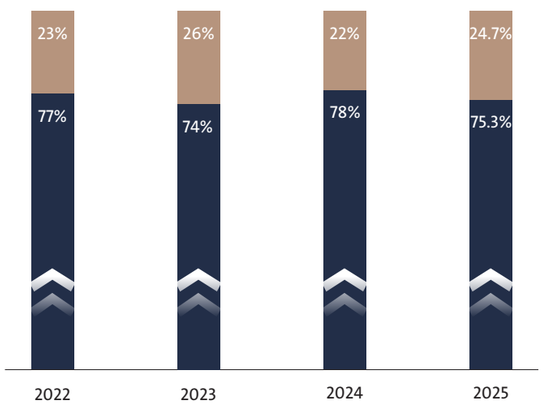
Employee turnover is a key indicator of work environment stability and the effectiveness of HR policies. Al Akaria recorded a low turnover rate of 8.3% in 2025, reflecting the Company's ability to attract and retain talent and confirming the attractiveness of its internal work environment. This stability results from the Company's commitment to offering competitive compensation and benefits packages that exceed minimum regulatory requirements and align with market best practices.

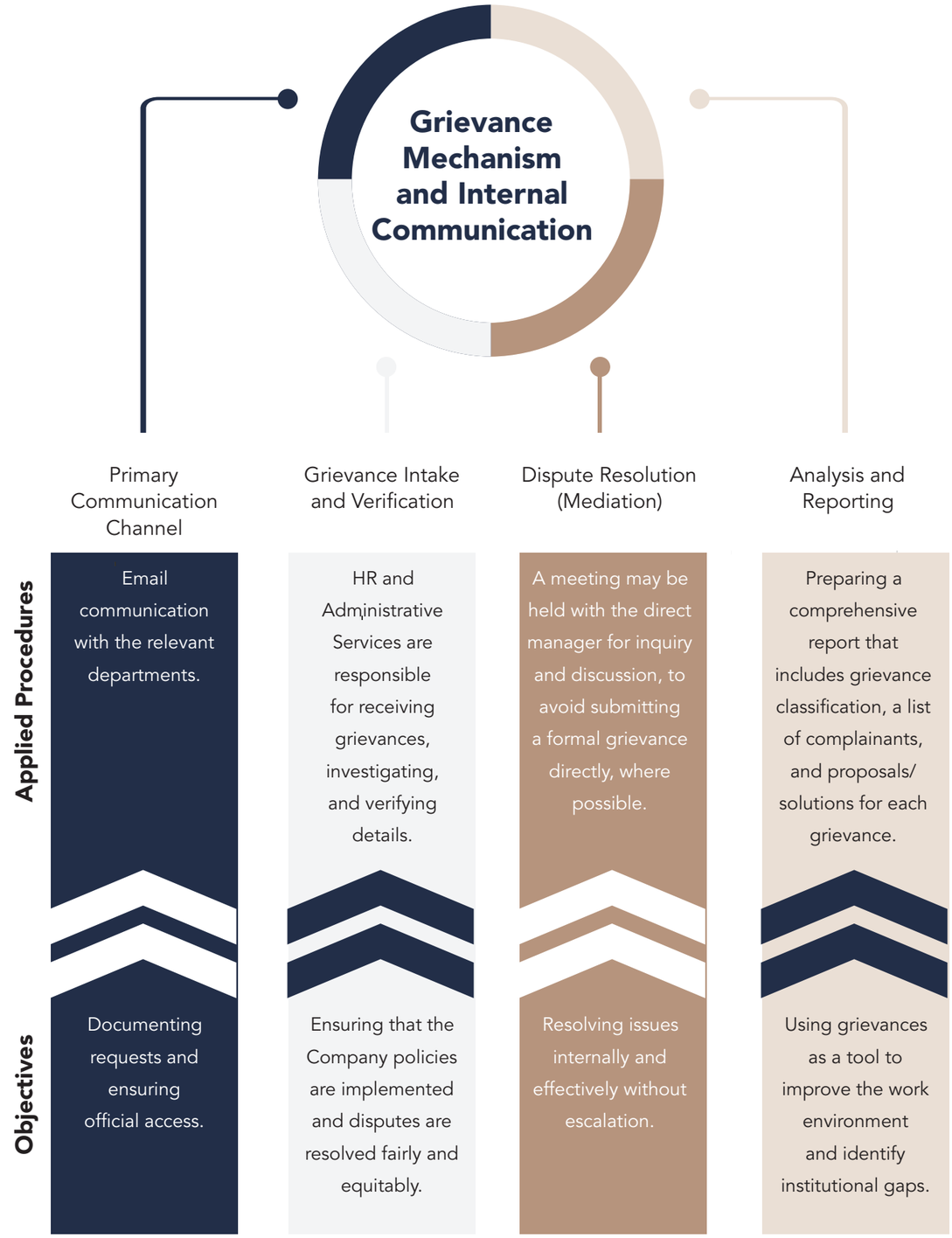
The Company's payroll policy is based on the following principles:

- **Competitive, motivating salaries:** The Company adopts a financial strategy that ensures attractive salary levels for talent, with full compliance with the regulations of the Ministry of Human Resources and Social Development (HRSD).
- **Exceeding the minimum wage:** The Company's commitment is not limited to applying the minimum wage set by the regulator; the approved internal salary structure surpasses the government-mandated minimum wage, reflecting the Company's dedication to providing a sustainable and rewarding work environment.
- **Balanced incentive structure:** Employees' salaries are based on key components that include basic salary in addition to housing and transportation allowances, achieving a balance between fixed pay and supporting incentives.
- **Fairness for part-time and temporary employees:** The Company complies with Saudi labor regulations in its treatment of part-time and temporary employees, ensuring they receive entitled benefits on par with full-time employees, proportionate to their actual working hours.

Total spending on salaries and related benefits continues to rise gradually year-on-year, supporting the attraction of new talent and strengthening the Company's ability to attract and retain employees.

Male and Female Employee Ratio over the Past 5 Years



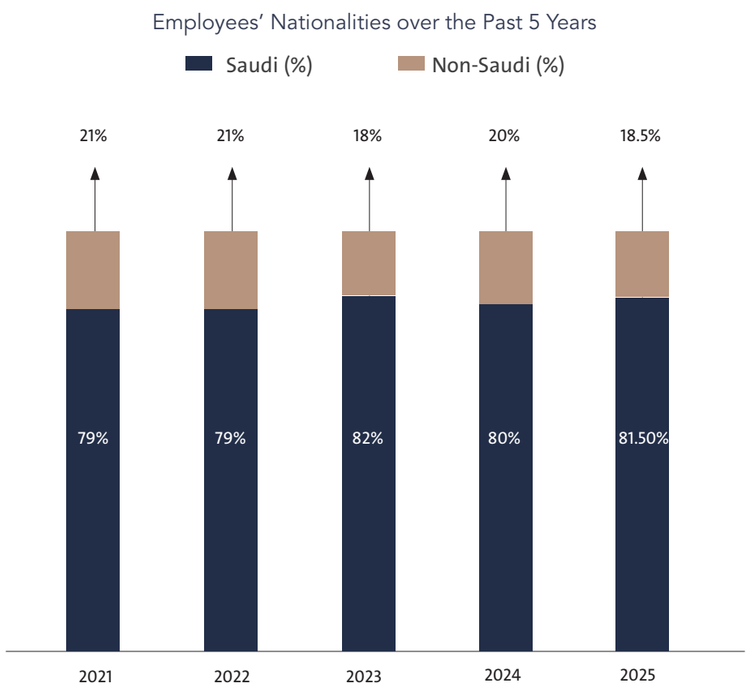


High Saudization Rates

The Company continues its commitment to Saudization policies issued by HRSD, achieving strong performance that reflects its commitment to Saudi Vision 2030 objectives. The Company operates under a structured succession plan aimed at increasing Saudization in current and future positions through:

- **Qualifying and developing national talent** through specialized training programs aimed at raising skills and expertise in line with the Company's requirements.
- **Empowering national talent to assume leadership and supervisory roles** in the future, ensuring the sustainability of national capabilities across the Company's operational and administrative levels.

Location/Classification	Current		Target	
	Nitaqat	Percentage	Nitaqat	Percentage
Average Saudization Rate in the Company	Platinum	82%	Platinum	85%



Risk Management

Based on the approved Enterprise Risk Management (ERM) framework, which established an integrated practical approach that supports achieving strategic objectives, and its alignment with the principles of the Three Lines Model, the Risk Management Department continued during 2025 to build upon this foundation by strengthening practical depth and expanding the scope of integration with departments.

The 2025 work focused on activating the approved framework in practice by moving from the foundational phase to a stage of integration and continuous improvement. This was achieved by embedding the risk management lifecycle (Identification, Assessment, Response, and Monitoring) directly into daily operations.

In this context, an initiative was launched to identify risks in cooperation with departments related closely to core operating processes, contributing to the improvement of data quality in risk registers, analysis enhancement, and the enablement of preventive decisions.

Types of Risks

Strategic Risks

The potential of the inability to achieve the Company's strategic objectives.

Operational Risks

The possibility of failing to complete projects (both new/under development) on time, to the required quality, and within budget.

Financial Risks

The possibility of a shortfall in required capital, cash flow, and liquidity.

Governance Risks

The possibility of regulatory penalties due to non-compliance or failure to monitor and adapt to evolving regulatory changes.

Investment Portfolio Risks

The possibility of inability to achieve the required Return on Investment (ROI) and Return on Equity (ROE).

Financial Performance Analysis

CFO's Statement	74
Summary of Financial Developments over the Last 5 Years	76
Quarterly Financial Results for 2025	77
Revenue Contribution by Segment	78
Key Financial Indicators and Ratios	80
Statement of Changes in Financial Position	81
Loans	81
Statutory Payments	82

CFO's Statement

Fahad Ayed Al-Aslami

Dear Valued Shareholders,

I am pleased to present the Company's financial performance for the fiscal year 2025. This year represents a continuation of our trajectory toward sustained improvement in both operational and financial results. Our performance was bolstered by financial discipline, enhanced operational efficiency, and improved revenue quality, all of which strengthen our sustainability and support the execution of our Group-wide strategic priorities through 2027.

In 2025, the Company achieved revenues of SAR 1.88 billion, with gross profit of SAR 822.89 million, and operating profit of SAR 597.71 million. Net income attributable to the parent company's shareholders stood at SAR 295.96 million, and Earnings per Share (EPS) rose to SAR 0.79. These figures reflect our enhanced operational performance and our ongoing commitment to creating shareholder value. This performance was further supported by the contribution of our subsidiaries to the Group's consolidated results, whether through driving revenue or boosting profitability by executing operations efficiently, optimizing the operating cycle, rationalizing costs, and improving revenue quality, demonstrating the effectiveness of our integrated business model.

The Financial Department also accounted for the regulatory developments witnessed in Riyadh during 2025. Most notably, these included the regulation of the landlord-tenant relationship, which necessitate higher efficiency in yield management and collection quality, alongside updates to the White Land Tax program in Riyadh. We addressed the resulting development obligations and timelines by strengthening our financial evaluation, monitoring mechanisms, and risk management. We have aligned our financing plans and Capital Expenditure (CAPEX) with expected returns to safeguard sustainability and enhance the quality of cash flows.

As work progressed across the Group's projects in 2025, including the commencement of "Fai Sedra 2" and Al-Narjis Business Park, and accelerated execution at Tilal Al Riyadh and Al Reef Residential Compound, the Financial Department will continue to focus on aligning financing and CAPEX plans with strategic priorities and projected returns to ensure sustainable growth and stable cash flows.

In conclusion, I extend my gratitude to our shareholders for their trust and to the Board of Directors, Executive Management, and all employees across the parent company and subsidiaries for their dedication. We look forward with confidence to building upon these achievements and maximizing value for our shareholders in the years ahead.

Summary of Financial Developments over the Last 5 Years

Statement/Year	2021	2022	2023	2024	2025
Statement of Income (SAR Mln)					
Revenue	1028.84	2051.28	1814.23	1987.67	1880.08
Cost of Revenue	(681.35)	(1595.10)	(1253.09)	(1278.34)	(1057.19)
Gross Profit	347.50	456.11	561.13	709.33	822.89
Operating Profit	119.15	259.74	337.22	481.02	597.71
Net Income Attributable to Shareholders of the Parent Company	54.91	110.54	67.63	215.06	295.96
Earnings per Share (EPS) (SAR)	0.23	0.34	0.18	0.57	0.79
Statement of Financial Position (SAR Mln)					
Current Assets	1,639.48	1,673.00	2,211.70	2,534.84	2,430.91
Non-current Assets	6,141.16	7,180.00	6,699.34	6,894.24	6,983.96
Total Assets	7,780.64	8,853.00	8,911.04	9,429.07	9,414.87
Current Liabilities	3,078.18	767.00	866.12	1,150.99	987.53
Non-current Liabilities	1,703.92	3,392.00	3,162.13	3,095.31	2,821.51
Total Liabilities	4,782.09	4,160.00	4,028.25	4,246.30	3,809.04
Equity	2,998.55	4,693.28	4,882.80	5,182.78	5,605.83
Total Liabilities and Equity	7,780.64	8,852.89	8,911.04	9,429.07	9,414.87
Cash and Cash Equivalents (CCE)	454.80	1,170.54	837.67	1,076.76	1,552.60
Total Loans	**3,914.42**	**3,257.82**	**3,127.12**	**3,083.35**	**2,826.51**
Cash Flow Statement (SAR Mln)					
Cash Flow from Operating Activities (CFO)	233.96	(175.03)	(87.87)	735.70	973.69
Cash Flow from Investing Activities (CFI)	0.73	(1.37)	(102.19)	(430.71)	78.78
Cash Flow from Financing Activities (CFF)	(304.65)	892.14	(142.82)	(65.90)	(576.62)

Quarterly Financial Results for 2025

Statement/Year	Q1	Q2	Q3	Q4
Statement of Income (SAR Mln)				
Revenue	628.07	488.99	409.71	353.31
Cost of Revenue	(318.38)	(250.95)	(238.49)	(249.36)
Gross Profit	309.69	238.03	171.22	103.95
Operating Profit	243.36	173.35	101.18	79.82
Net Income Attributable to Shareholders of the Parent Company	135.17	94.45	38.90	27.44
Earnings per Share (EPS) (SAR)	0.36	0.25	0.10	0.08
Statement of Financial Position (SAR Mln)				
Current Assets	2,408.01	2,368.69	2,356.72	2,430.91
Non-current Assets	6,950.51	7,059.41	7,119.57	6,983.96
Total Assets	9,358.51	9,428.11	9,476.29	9,414.87
Current Liabilities	905.34	869.32	955.53	987.53
Non-current Liabilities	3,029.90	3,035.35	2,950.45	2,821.51
Total Liabilities	3,935.24	3,904.66	3,905.98	3,809.04
Equity	5,423.27	5,523.45	5,570.32	5,605.83
Total Liabilities and Equity	9,358.51	9,428.11	9,476.29	9,414.87
Cash and Cash Equivalents (CCE)	1,341.03	1,359.31	1,423.47	1,552.60
Total Loans	**2,904.93**	**2,904.93**	**2,826.51**	**2,826.51**
Cash Flow Statement (SAR Mln)				
Cash Flow from Operating Activities (CFO)	110.10	253.75	221.43	388.41
Cash Flow from Investing Activities (CFI)	334.17	(311.93)	242.08	(185.54)
Cash Flow from Financing Activities (CFF)	(179.99)	(213.24)	(109.66)	(73.73)

Revenue Contribution by Segment

(All Amounts in SAR Mln)

Description	Q1		Q2		Q3		Q4	
	2024	2025	2024	2025	2024	2025	2024	2025
Total Revenue	427.58	628.07	382.33	488.99	433.61	409.71	744.16	353.31
Gross Profit	129.08	309.69	125.30	238.03	135.21	171.22	319.75	103.95
Operating Profit/ (Loss)	77.77	243.36	58.29	173.35	103.11	101.18	241.86	79.82
Net Profit/ (Loss)	2.92	135.17	(14.19)	94.45	38.15	38.90	188.18	27.44

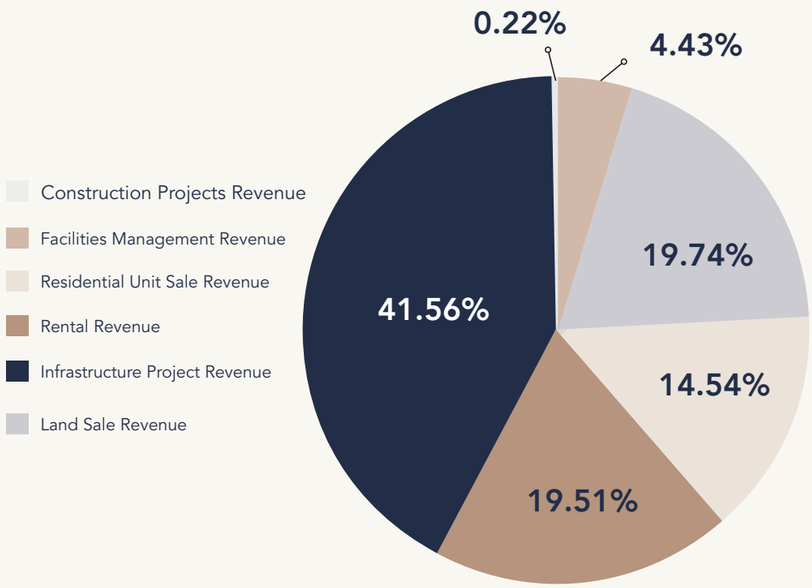
Total Segment Revenues for 2025

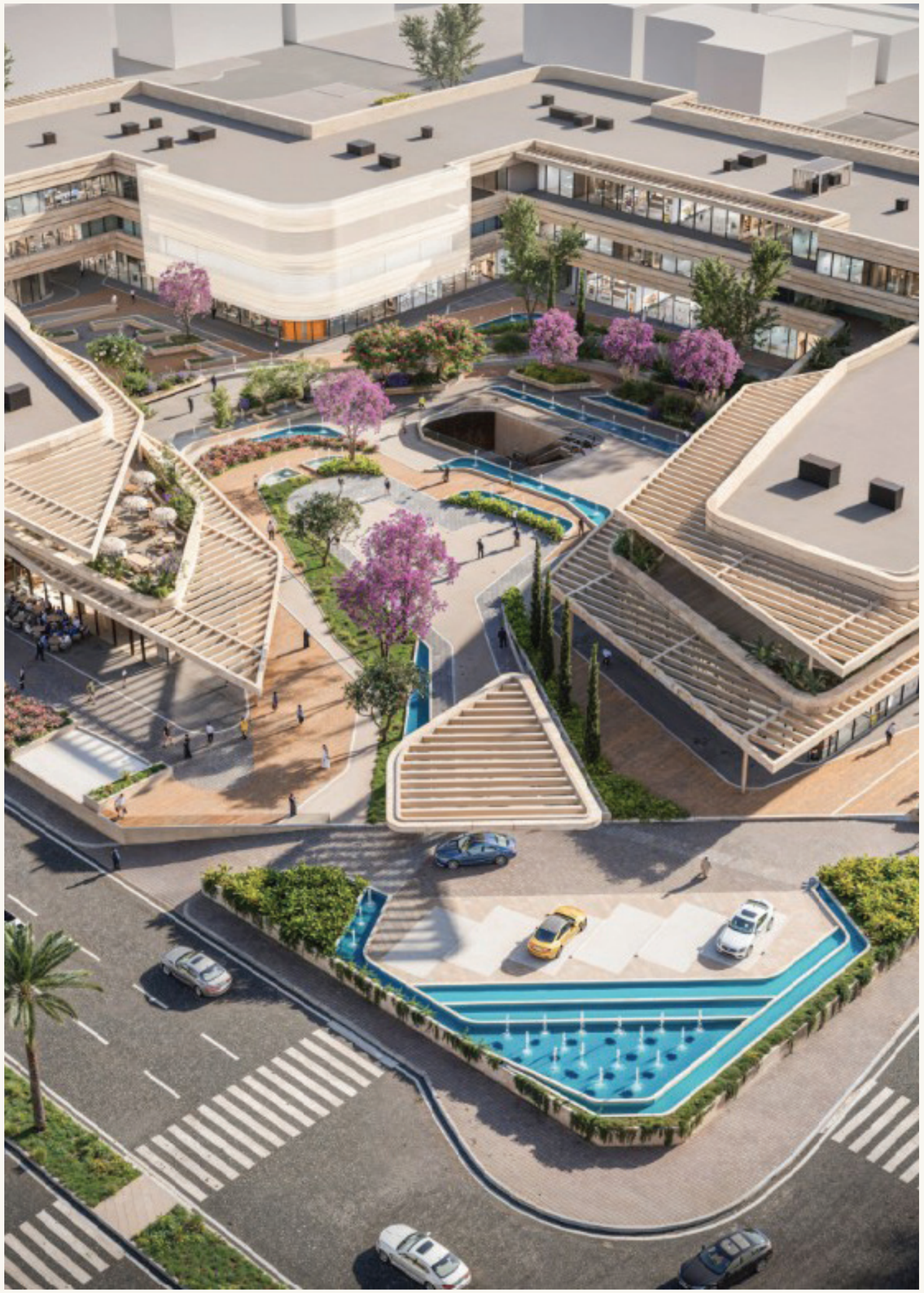
All revenues are generated within the Kingdom of Saudi Arabia

(All Amounts in SAR Mln)

Description	Value	% of Total Revenue
Infrastructure Project Revenue	781.25	41.56%
Rental Revenue	366.87	19.51%
Residential Unit Sale Revenue	273.38	14.54%
Land Sale Revenue	371.14	19.74%
Facilities Management Revenue	83.31	4.43%
Construction Projects Revenue	4.14	0.22%
Total Revenue	**1,880.09**	**100%**

Segment Contribution to Revenue in 2025





Key Financial Indicators and Ratios

Description	2021	2022	2023	2024	2025
Liquidity Ratios					
Working Capital (SAR Mln)	(1,438.70)	906.00	1,345.58	1,383.85	1,443.38
Current Ratio	53.26%	218.12%	255.36%	220.23%	246.16%
Cash Ratio	14.77%	152.61%	96.72%	93.55%	157.22%
Equity Ratio	38.54%	53.01%	54.79%	54.97%	59.54%
Debt Ratio					
Total Debt Ratio	61.46%	46.99%	45.21%	45.03%	40.45%
Total Asset to Equity Ratio (Times)	2.59	1.89	1.82	1.82	1.68
Total Liabilities to Equity Ratio	159.48%	88.64%	82.50%	81.93%	67.95%
Total Debt to Total Assets Ratio	50.31%	36.80%	35.09%	32.70%	30.02%
Profitability Ratios					
Gross Profit Margin	33.78%	22.24%	30.93%	35.69%	43.77%
Net Profit Margin	5.34%	5.39%	3.73%	10.82%	15.74%
Return on Assets (RoA)	0.71%	1.25%	0.76%	2.28%	3.14%
Return on Equity (RoE)	1.83%	2.36%	1.39%	4.15%	5.28%

Statement of Changes in Financial Position

(All Amounts in SAR Mln)

Item	2024	2025	Change	Change (%)
Current Assets	2,534.84	2,430.91	(103.93)	-4.10%
Non-current Assets	6,894.24	6,983.96	89.72	1.30%
Total Assets	9,429.07	9,414.87	(14.20)	-0.15%
Current Liabilities	1,150.99	987.53	(163.46)	-14.20%
Non-current Liabilities	3,095.31	2,821.51	(273.80)	-8.84%
Total Liabilities	4,246.30	3,809.04	(437.26)	-10.30%
Equity	5,182.78	5,605.83	423.05	8.16%
Total Liabilities and Equity	**9,429.07**	**9,414.87**	**(14.20)**	**-0.15%**

Loans

Statement of the Company's Loans for the Last 5 Years
(All Amounts in SAR Mln)

Description	2021	2022	2023	2024	2025
Long-term Loans	1,573.05	3,127.12	2,983.35	2,826.51	2,527.32
Short-term Loans	2,341.38	130.70	143.77	256.84	299.19
Total Loans	3,914.42	3,257.82	3,127.12	3,083.35	2,826.51

Statement of Long-term Loans
(All Amounts in SAR Mln)

Lending Entity	Loan Principal	Loan Tenor	Repayments during the Year	Balance as of Year-End 2025
Saudi National Bank (SNB)*	2,068.46	12 Years	-	2,068.46
Ministry of Finance (MoF)	1,306.98	9 Years	156.84	758.05

* Initially obtained in 2016, the loan was rescheduled in 2022. The maturity date has been extended, with the final payment now due in June 2034.

Statutory Payments

The following is a detailed statement of statutory payments made and outstanding, comprising Zakat, taxes, fees, and other charges, for the fiscal year 2025.

(All Amounts in SAR Mln)

Zakat	**61,677,000.00**
Withholding Tax	104,260.44
Value Added Tax (VAT)	8,998,029.56
General Organization for Social Insurance (GOSI)	10,347,436.91

Notes on any Departures from the Accounting Standards Endorsed by SOCPA

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia, along with other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
There are no departures from the applicable accounting standards issued by SOCPA.

Asset Portfolio and Operational Performance

Operational Resilience	86
The Company's Real Estate Portfolio	91
Completed Projects	92
Projects under Development	108
Projects under Study	120
Future Plans	126
Case Study	128
Transactions of the Year	130
Material Contracts	132
Land Portfolio	134
Subsidiaries	136
Customers and Suppliers	151

Operational Resilience

In 2025, Al Akaria presented a standout model of operational resilience, successfully turning logistical and time constraints into opportunities to maximize value. Under the theme "Rooted Identity… Sustainable Growth", the Company adopted a cross-sector integration approach that ensured a precise balance between development, digital marketing, and corporate marketing, enabling it to overcome overlapping advertising campaigns and tight implementation timelines.

During the past year, Al Akaria was able to fulfill all development works and commercial commitments, while simultaneously meeting governmental requirements by activating direct, sustainable communication channels. This ensured continuity of restoration works without compromising sales targets or operational plans.

The Company also succeeded in balancing construction requirements with operational obligations, managing major facility restoration works with exceptional precision that ensured full business continuity and protected the tenant experience from any negative impact.

Al Akaria integrated virtual reality tools and interactive maps into the customer journey and adopted flexible mechanisms for collaboration with suppliers and customers, supported by a periodic performance monitoring system that led to record increases in operational efficiency.

On marketing and commercial fronts, the Company's operational vision delivered tangible results that reflect strong reach and impact.

Qualitative Marketing Success

The year 2025 witnessed a strategic shift in shaping visual content and communication messages, strengthening Al Akaria's competitiveness in a growing real estate market through four tracks:

1

Marketing Integration:

Merging digital and traditional channels into a unified ecosystem to present a modern, professional brand image.

2

Enriching Customer Experience:

Shifting from traditional presentation to an interactive showcasing model, supported by Virtual Reality (VR) and 360° tours, particularly within the "Fai Sedra 2" project.

3

Strengthening Reliability:

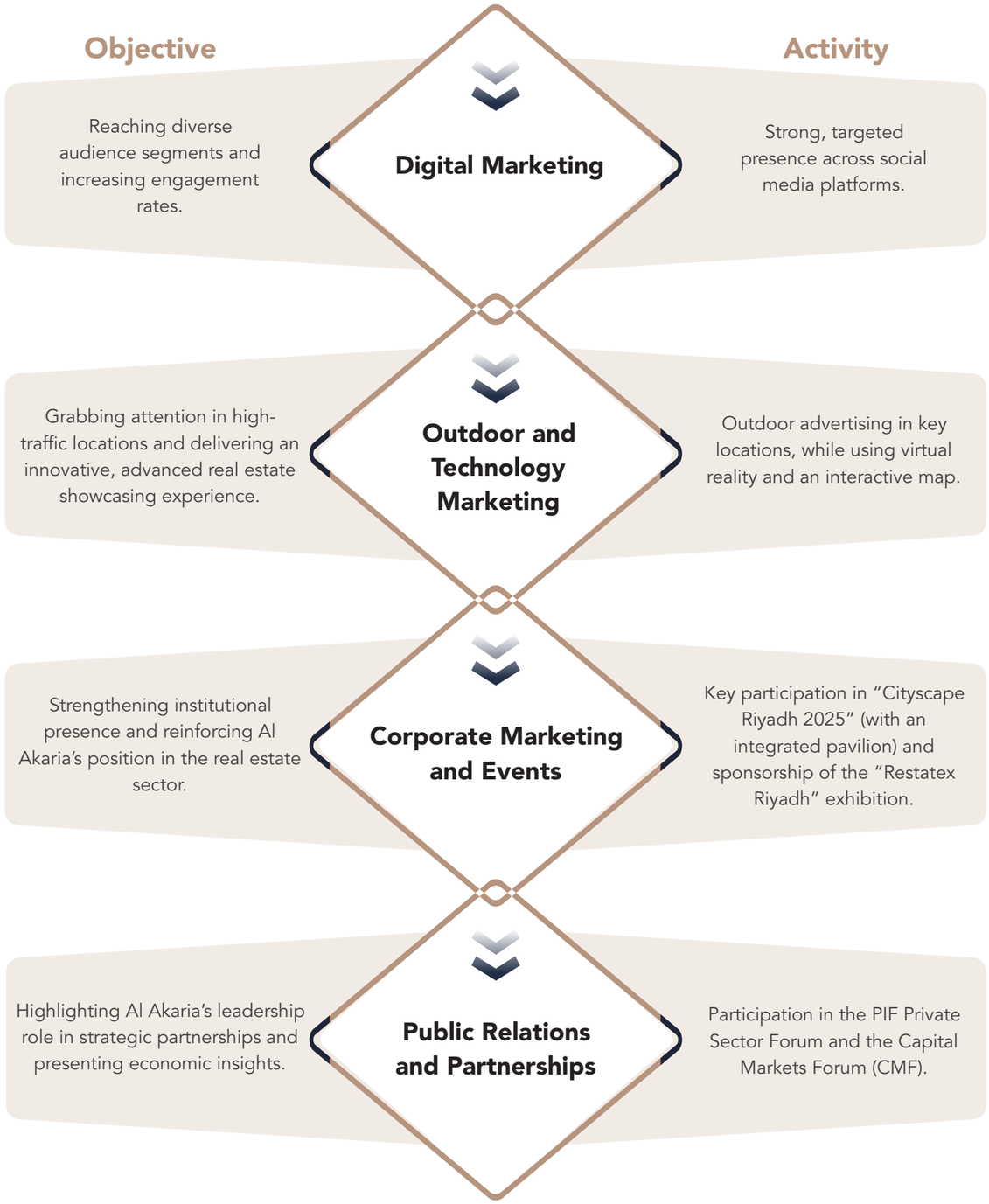
Implementing a transparency and communication framework by organizing site visits for "Fai Sedra 1" customers, reflecting institutional commitment to clarity and credibility.

4

Leadership Presence:

Reinforcing Al Akaria's institutional positioning through key participation in major economic platforms such as Cityscape Riyadh and the Public Investment Fund (PIF) Forum.

Diversity of the Marketing Mix



Key Marketing Achievements for 2025

- **Organizing site visits for Board Members to Al Akaria›s projects.**
- **Facilitating customer visits to the «Fai Sedra 1» project to witness the construction progress of their individual units.**
- **Participating in Cityscape Global to showcase the project portfolio of Al Akaria and its subsidiaries.**
- **Deploying innovative technologies and presentation solutions to more effectively showcase the «Fai Sedra 2» project.**

- **Increased awareness among customers and interested audiences regarding Al Akaria's projects.**

- **Production of the 95th National Day video, which exceeded 23 million views.**

- **Organizing more than 10 internal events (lectures, social events, and national events).**

Automation and Maximizing Asset Value

As part of Al Akaria's ongoing efforts to maximize the added value of its real estate portfolio, 2025 saw the implementation of several qualitative initiatives aimed at enhancing operational efficiency and achieving environmental and technological sustainability. These efforts are embodied in two main pillars: the first focuses on elevating the quality of real estate assets through model rehabilitation projects that adopt energy-efficiency standards; the second targets comprehensive digitalization of operations by automating core systems and developing facilities infrastructure.

These integrated directions aim to reduce long-term operating costs and reinforce governance and transparency principles, ensuring an exceptional experience for customers and tenants, and strengthening Al Akaria's resilience in anticipating future growth prospects.

Operational Achievements and Digitalization

Automating the leasing business platform on SAP.

Operating parking areas for visitors and employees.

Positive Outcomes

Automating the leasing business platform represents a core pillar of the digital transformation journey, contributing to higher operational efficiency, streamlined procedures, and an improved user experience.
In addition, this step strengthens financial data governance and speeds up data access to achieve the highest levels of transparency.

Reinforcing governance and clarity of the operating framework, supporting sound decision-making, and increasing process efficiency.

Achievements in Improving Asset Quality

Developing and rehabilitating 30 residential units in the Diplomatic Quarter (DQ), including upgrading air-conditioning systems to reduce carbon emissions and enhance energy-consumption efficiency.

Positive Outcomes

Enhancing asset quality, reducing long-term operating costs, and providing a positive reflection on customer satisfaction.

Part of the asset enhancement plan aims to reduce operating costs and increase customer (tenant) satisfaction.

Occupancy Rates of Al Akaria Complexes

Residential Projects

97.5%

Commercial Projects

98%

Commercial Projects (Showrooms)

90.5%

Commercial Projects (Offices)

98.4%

"Occupancy Rate Based on Leasable Units and Areas"

Impact of Regulatory Changes on Operations over 5 Years

Suspension of Annual Rent Increases (Riyadh)

» The Company's Stability and Development: Providing a period of market stability that Al Akaria can leverage for planning and developing new services and products.

Law of Real Estate Ownership by Non-Saudis

» Increasing market efficiency through product diversification.
» Raising the quality of real estate products and services.
» Attracting new capital to expand the investment ecosystem.
» Expanding real estate development horizontally and vertically beyond traditional areas.
» Enabling entry of new sectors to participate.

The Company's Real Estate Portfolio

Al Akaria owns a broad, diversified real estate portfolio that includes existing income-generating assets across key sectors, alongside strategic development projects with promising future prospects. This portfolio is primarily centered in Riyadh as the main growth hub for Al Akaria's business, with a measured expansion into Jeddah, reflecting a balanced investment approach built on clear operational foundations.

The portfolio focuses on the commercial and residential sectors, with a commitment to high-quality standards, adoption of smart technologies, and modern architectural designs that enhance asset competitiveness and sustain returns. The assets cover a wide range of uses, from high-quality office and retail spaces to diverse residential units, including villas, apartments, and duplex units, along with fully serviced integrated compounds.

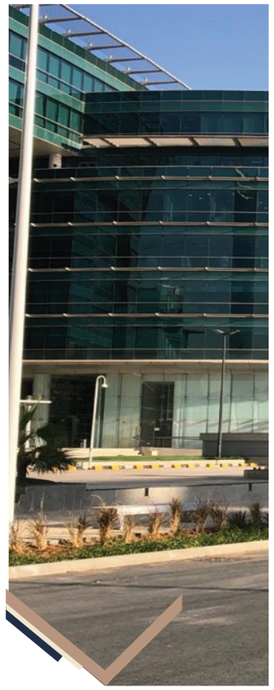
Most assets are located in strategic areas within Riyadh, particularly Al Olaya, the DQ, Al Malaz, and Narjes/Sedra, supporting strong demand and stable occupancy rates.

This portfolio reflects Al Akaria's commitment to developing real estate assets with long-term added value, aligned with the Kingdom's economic and development directions.

Completed Projects

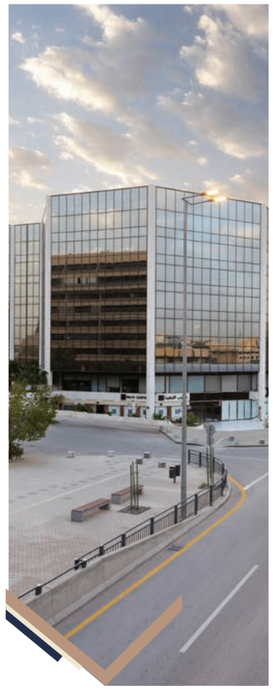
Existing Income-Generating Assets

Commercial Sector



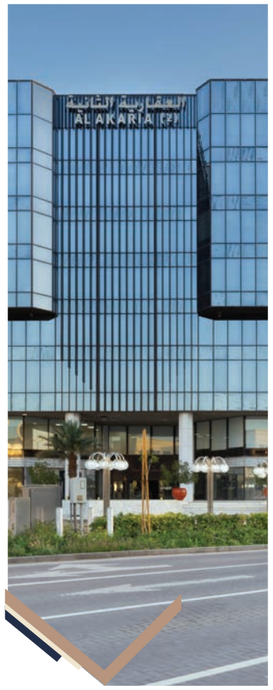
Centre

Al Akaria Plaza



Centre

Akaria Al-Sitteen Office



Centre

Al Akaria 2

Centre

Al Akaria 3

Existing Income-Generating Assets

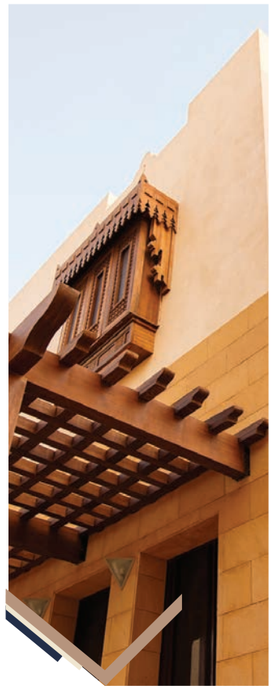
Residential Sector

Compound

Olaya Oasis

Compound

La Casa Residential



Compound

Masaken Al Akaria DQ

Al Akaria Plaza

Project Overview

Al Akaria Plaza is located on Olaya Street and is the first smart building in the Kingdom. It is a complex consisting of three towers, each with eight floors, offering office spaces with a total gross leasable area (GLA) of 74,789 m², and retail showrooms occupying 4,667 m².

Al Akaria Plaza is considered one of the most distinctive commercial centers, featuring a unique architectural style, modern facilities with natural lighting, and a spacious, comfortable working environment, in addition to smart technologies adopted by CISCO that help facilitate daily business operations.

Sector	**Commercial**
Construction Completion Date	**2010**
Type	**Office and Retail Spaces**
Location	**Olaya Street, Riyadh**
Land Area	**19,397 m²**
Built-up Area	**143,544 m²**
Total Gross Leasable Area (GLA)	**74,789 m²**
Unit Types	**Offices – Retail Showrooms**
Key Features and Facilities	**Model parking facilities, street-facing retail showrooms**
Ownership Percentage	**100%**
Status	**Existing**

Akaria Al-Sitteen Office Centre

Project Overview

Akaria Al-Sitteen Office Centre is located on Salah Al-Din Al-Ayyubi Road (known as "Al-Sitteen Road"), in a strategic location in Al Malaz District, one of Riyadh's most established and beautiful neighborhoods, and among the closest to government entities, commercial buildings, and King Salman Park.

The Center features a unique architectural design and consists of four connected towers, each with eight floors, in addition to a glass roof and a fountain providing stunning views, illuminated by natural light during the day and chandelier lighting at night.

The Center provides office spaces with a GLA of 33,467 m², in addition to retail space of 1,039 m².

Sector	Construction Completion Date	Type
Commercial	**1985**	**Office and Retail Spaces**

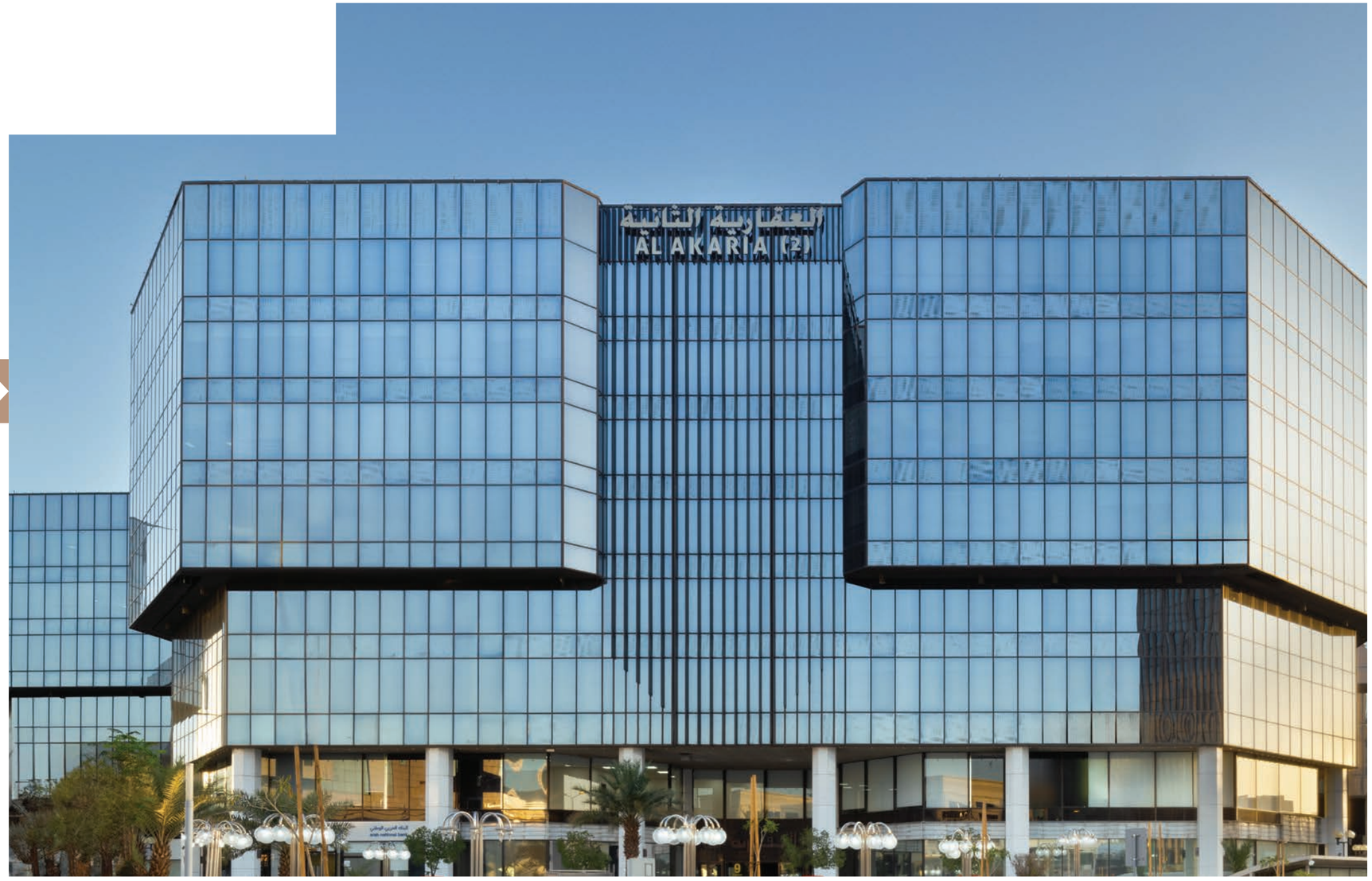
Location	Land Area	Built-up Area
Al Zahra District, Salah Al-Din Al-Ayyubi Road ("Al-Sitteen Road"), Riyadh	**9,325 m²**	**54,226 m²**

Total Gross Leasable Area (GLA)	Unit Types	Key Features and Facilities
34,506 m²	**Offices – Retail Showrooms**	**Parking capacity of approximately 334 cars, street-facing retail showrooms**

Ownership Percentage	Status
100%	**Existing**

(Considered a Prominent Landmark of Riyadh)

Al Akaria 2



Project Overview

Al Akaria 2 is in Al Olaya District. It is an 11-floor building and is considered a prominent landmark of Riyadh, with three floors allocated to retail stores, along with six floors.

Sector	**Commercial**
Construction Completion Date	**1986**
Type	**Office and Retail Spaces**
Total Gross Leasable Area (GLA)	**61,392 m²**
Unit Types	**Offices – Stores**
Key Features and Facilities	**Parking capacity of approximately 770 cars, central air-conditioning, three floors**
Location	**Al Olaya District, Riyadh**
Land Area	**15,540 m²**
Built-up Area	**121,150 m²**
Ownership Percentage	**100%**
Status	**Existing**

(One of the Tallest Commercial Complexes in the Kingdom)

Al Akaria 3

Project Overview

Al Akaria 3 is One of the Tallest Commercial Complexes in the Kingdom. It is located on Olaya Main Street, positioned between Al Akaria 2 and Al Akaria Plaza. The building consists of 11 floors and features a design that combines classic style with sophistication, centered around an atrium overlooking retail shops and illuminated by natural light. It provides office spaces with a GLA of 41,257 m², and retail spaces of 5,219 m².

Sector	**Commercial**
Construction Completion Date	**1995**
Type	**Office and Retail Spaces**
Location	**Al Olaya District, Riyadh**
Land Area	**13,150 m²**
Built-up Area	**115,789 m²**
Total Gross Leasable Area (GLA)	**46,476 m²**
Unit Types	**Offices – Stores**
Ownership Percentage	**100%**
Status	**Existing**
Key Features and Facilities	**Parking capacity of approximately 654 cars, premium interior spaces, central air-conditioning and sound-insulated ceilings**

(One of the Earliest Residential Compounds Established in the Kingdom)

Olaya Oasis Compound

Project Overview

Olaya Oasis Compound is located in Al Olaya District and is among the earliest residential compounds established in the Kingdom. The Compound includes eight residential compounds known as "Gates" and is distinguished by its proximity to the Kingdom Tower. The Compound represents an oasis of calm in the heart of a city known for its fast pace and development, providing 830 residential units.

Sector	**Residential**
Construction Completion Date	**1982**
Type	**Residential Buildings**
Location	**Al Olaya District, Riyadh**
Land Area	**96,822 m²**
Built-up Area	**142,026 m²**
Number of Leasable Units	**830 Units**
Unit Types	**Apartments**
Key Features and Facilities	**Shaded parking, cafés and restaurants, children's play area, swimming pools, gyms, multi-purpose courts**
Ownership Percentage	**100%**
Status	**Existing**

La Casa Residential Compound

Project Overview

La Casa Residential Compound occupies a strategic location in Al Narjes District along Al Dhalam Street. The Compound provides diverse housing solutions, including 31 villas and 131 apartments. The Compound is characterized by a unique blend of modern and traditional architecture, with an unparalleled design that integrates nature into the layout of its components and provides an ideal environment for relaxation and recreation.

Sector	**Residential**
Construction Completion Date	**2019**
Type	**Residential Buildings**
Location	**Al Narjes District, Riyadh**
Land Area	**25,570 m²**
Built-up Area	**37,386 m²**
Number of Leasable Units	**162 Units**
Unit Types	**Villas – Apartments**
Key Features and Facilities	**Shaded parking, swimming pool, sports and wellness club, padel court, multi-purpose center, dedicated children's area**
Ownership Percentage	**100%**
Status	**Existing**

Masaken Al Akaria DQ Residence

Project Overview

Masaken Al Akaria DQ Residence project is in a strategic area and provides diverse housing solutions, including 171 villas, 322 duplexes, and 190 apartments. The units are situated in an exceptional location among the gardens of Riyadh's DQ, offering a stunning view of lush green spaces.

Sector	**Residential**
Construction Completion Date	**1996**
Type	**Residential Units**
Location	**DQ, Riyadh**
Land Area	**287,924 m²**
Built-up Area	**226,819 m²**
Number of Leasable Units	**683 Units**
Unit Types	**Villas – Apartments – Duplexes**
Key Features and Facilities	**Dedicated car parking, lobby with an integrated security system, gardens, and restaurants**
Ownership Percentage	**100%**
Status	**Existing**

Projects under Development

Al Akaria Park Master Plan (Commercial/Residential Land Subdivision)

Project Overview

Al Akaria Park is a flagship land subdivision project located east of Riyadh, offering a diverse mix of residential and commercial land plots, along with a distinctive set of community facilities, including a large central park, a mosque, and a school. Al Akaria Park master plan is in eastern Riyadh and includes 3,216 villa plots, 31 apartment plots, and 45 commercial plots.

Sector	Timeline	Type	Ownership Percentage	Status	Key Features and Facilities
Commercial & Residential	**2022-2025**	**Land Development Project**	**100%**	**100%**	**Park, mosques, schools, health center, and other public facilities**

Location	Land Area
Al Marjan District, Riyadh	**1,913,400 m²**

(The First Fully Integrated Serviced Residential Compound in the DQ)

Al-Reef Residential Compound (DQ)

Project Overview

Al-Reef is the first fully integrated serviced residential compound in the DQ, offering diverse housing solutions that include 47 villas and duplexes, in addition to 193 luxury apartments, alongside a premium range of modern communal facilities. The project embodies the concept of upscale living through a modern design inspired by authentic Salmani architecture, giving the Compound a distinctive character.

Sector	**Residential**
Timeline	**2022-2026**
Type	**Residential Project**
Location	**DQ, Riyadh**
Land Area	**39,010 m²**
GFA Breakdown	**Villas, duplexes, apartments, and retail 68,123 m²**
Ownership Percentage	**100%**
Status	**75%**
Key Features and Facilities	**An integrated compound that includes a swimming pool, multi-use courts, landscaped public areas, and a retail center**

Fai Sedra 1 Residential Compound

Project Overview

Fai Sedra 1 is a residential scheme within the Sedra District master plan (Phase I) and includes 138 residential units (villas) with a design inspired by authentic Salmani architecture.

Sector
Residential

Timeline
2023-2026

Type
Residential Project

Ownership Percentage
100%

Status
97%

Key Features and Facilities
High-end Salmani architectural façades, contemporary design and premium finishes, pools attached to selected units, surveillance and security systems, and diverse recreational facilities

Location
Sedra Project Master Plan, Riyadh

Land Area
44,368 m²

GFA Breakdown
Villas and Duplexes 54,708 m²

Tilal Mixed-Use Commercial Centre

Project Overview

Tilal Centre, constructed in a premium Flemish style, is a unique destination that brings together modern lifestyle facilities. The Centre includes a variety of restaurants, cafés, and retail shops, as well as a health center, with a total gross floor area (GFA) of 9,509 m², in addition to office spaces totaling 8,935 m². The project is strategically located along Mohammed bin Abdulaziz Street and Wadi Waj Street in Al Malqa District, north Riyadh.

Sector	Timeline	Type
Commercial	**2024-2026**	**Mixed-use Project**

Location	Land Area	GFA Breakdown
Al Malqa District, Riyadh	**21,575 m²**	**Offices, retail/restaurants and cafés, sports center 55,920 m²**

Ownership Percentage	Status	Key Features and Facilities
100%	**79%**	**Landscaped public areas, a modern retail center, restaurants and cafés, and recreational facilities**

Al-Narjis Business Park

Project Overview

Al-Narjis Business Park includes modern office buildings with a total GFA of 44,699 m², and also features a diverse range of restaurants, cafés, and retail shops. The project spans 40,000 m² and is strategically located along Al Takhassusi Road in Al Narjes District, Riyadh.

Sector
Commercial

Timeline
2025-2027

Type
Mixed-use Project

Location
Al Narjes District, Riyadh

Land Area
40,000 m²

GFA Breakdown
Offices, Retail Showrooms 123,492 m²

Ownership Percentage
100%

Status
The main contractor was awarded the project at the end of November 2025, and the completion rate reached 2%.

Key Features and Facilities
Grade A offices, a diverse selection of restaurants and cafés, retail shops, premium facilities, integrated services, and landscaping

Fai Sedra 2 Residential Compound

Project Overview

Fai Sedra is a residential plan within the Sedra District master plan (Phase II) and includes 310 residential units (villas) with a design inspired by authentic Salmani architecture.

Sector
Residential

Timeline
2025-2027

Type
Residential Project

Location
Sedra Project Master Plan, Riyadh

Land Area
92,450 m²

GFA Breakdown
Villas and Duplexes 105,791 m²

Ownership Percentage
100%

Status
The main contractor for the project was contracted in November 2025, and the completion rate reached 1% by the end of the fiscal year.

Key Features and Facilities
High-end Salmani architectural façades, contemporary design and premium finishes, pools attached to selected units, surveillance and security systems, and diverse recreational facilities

Projects under Study

(An Integrated Destination Combining Premium Hospitality, Retail, and Entertainment)

Porta Jeddah

Project Overview

"Porta Jeddah" is an integrated destination combining premium hospitality, retail, and entertainment, in addition to grade A office spaces designed to the highest standards. The project is strategically located on King Abdulaziz Road in Al Nahdah District and includes 238 hotel units operated by the "Canopy by Hilton" brand.

Sector	Timeline	Type
Residential	**2024-2029**	**Residential Project**

Location	Land Area	GFA Breakdown
Al Nahdah District, King Abdulaziz Road, Jeddah	**47,971 m²**	**132,706 m²**

Project Components	Status	Key Features and Facilities
Hotel, offices, retail/ restaurants and cafés, alongside entertainment facilities	**In the final design stages.**	**An open plaza and amphitheater, terraces and landscaped public spaces, a modern retail center, restaurants and cafés, and entertainment facilities**

(A Mixed-use Destination Combining Entertainment and Business)

L'Avenir (Al Aqiq)

Project Overview

"Al Aqiq" is a mixed-use destination combining entertainment and business. It includes a hotel and co-working spaces of 1,768 m², in addition to shops and restaurants with a total GFA of 10,544 m². The project is strategically located on the Northern Ring Road between Riyadh Park and the King Abdullah Financial District (KAFD).

Sector	Timeline	Type
Commercial	**2024-2030**	**Mixed-use Project**

Location	Land Area	Total GFA
Al Aqiq District, Riyadh	**25,491 m²**	**71,034 m²**

Project Components	Status	Key Features and Facilities
Hotel, co-working office spaces, retail/restaurants and cafés	**Design phase**	**Parking capacity of approximately 741 cars, landscaped public areas, a modern retail center, restaurants and cafés, and entertainment facilities, located near KAFD**

Sitteen Residential Community

Project Overview

Sitteen is a modern residential compound comprising 304 apartments of varying sizes and 10 residential villas, equipped with modern shared facilities, as well as 10 retail shops on the ground floor. The project is strategically located in Al Zahra District along Salah Al-Din Al-Ayyubi Road (Al Sitteen Road) in Riyadh.

Sector	Timeline	Type
Residential	**2022-2028**	**Residential Project**

Location	Land Area	Total GFA
Al Aqiq District, Riyadh	**9,856 m²**	**59,815 m²**

Project Components	Status	Key Features and Facilities
Apartments and villas, basement parking, swimming pool, padel court, a multi-purpose room, and street-facing retail shops	**Tendering and mobilization package**	**A modern residential compound, carefully designed layouts, stunning landscaping, and public areas**

Future Plans

Al Akaria 1 Project

Sector	Type	Location	Land Area	Status
Commercial	Mixed-use Project	Al Olaya District, Riyadh	30,215 m²	Design phase

Case Study: Operational Resilience and Management of Concurrent Campaigns in 2025

Operational Background

During 2025, Al Akaria faced an operating phase characterized by increased complexity due to the overlap of multiple marketing campaigns, tight execution windows, and development requirements, alongside operating existing facilities in parallel with restoration works. These conditions required adopting a flexible operational approach to ensure continuity of performance and achievement of targets without compromising execution quality or customer experience.

Key Challenges

The most prominent challenges during this phase were:

1. **Concurrent marketing campaigns for multiple projects.**
2. **Limited execution timelines.**
3. **Diversity of projects and differing operational requirements.**
4. **The need for high-quality visual content in a market witnessing increasing competition.**

Approach Adopted

The Company, in response to such challenges, adopted, through the Marketing and Communications Department, integrated with the commercial sector and operational departments, an approach based on:

1. Integrating digital and corporate marketing.
2. Deploying technical innovation, including virtual reality and the interactive map.
3. Activating highly efficient coordination mechanisms between internal departments and suppliers.
4. Improving time planning, with weekly performance follow-up to ensure adherence to approved schedules.

Supporting Tools to Achieve Targets

This integrated approach contributed to tangible operating results, reflected in high occupancy rates during 2025, as follows:

Marketing Integration

Blending digital channels, roadside advertising, and exhibitions.

Technical Innovation

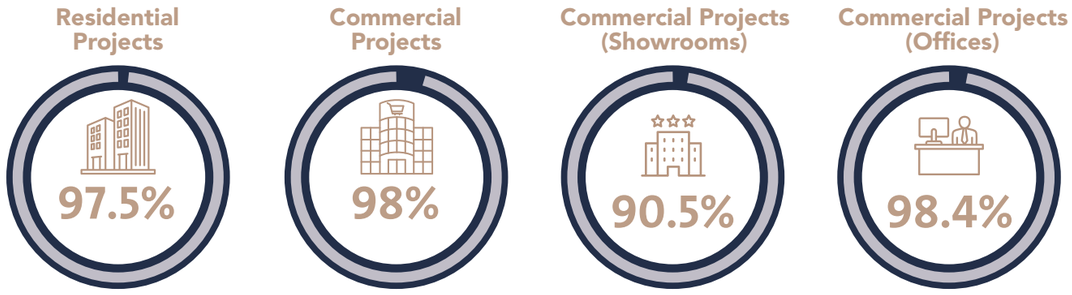
Introducing virtual reality and interactive map technologies in (Fai Sedra 2).

Enhancing Trust and Transparency

Conducting site visits and providing visual content reflecting execution quality and progress stages.

Achieved Results

This integrated approach contributed to tangible operating results, reflected in high occupancy rates during 2025, as follows:



Strategic Impact

The results of this case reflected Al Akaria's ability to efficiently address complex operational challenges and transform them into opportunities to enhance performance and raise occupancy rates, supporting return sustainability, strengthening market credibility, and confirming the effectiveness of its operational resilience and institutional integration approach.

Transactions of the Year

Contracts and Transactions 2025

	Signing the implementation contract for the residential compound (Fai Sedra 2)	Signing the implementation contract for "Al-Narjis Business Park"
Date	5 November	30 November
Main Contractor	Rezaik Abdullah Saeed Al Gedrawy Al-Thubaiti and Partners Co., Ltd.	Saudi Real Estate Construction Company "Tamear"
Value	SAR 425 Mln	SAR 338.78 Mln
Details	Construction of the residential compound (Fai Sedra 2) in Sedra District – ROSHN, Riyadh, with a total of 310 villas of varying sizes	Diverse leasable spaces, including offices, restaurants, outdoor plazas, and green areas

Material Contracts

Details of Al Akaria's Material Contracts for Executing Real Estate Development Projects with Several Entities in the Kingdom

Contracting Party: Royal Commission for Riyadh City (RCRC) (previously known as the Riyadh Development Authority)

Contract Details:

General Development Agreement in the DQ: Effective as of 07/11/1993, with no stated end date; it remains in force as long as both parties wish to continue joint cooperation.
Development and Acquisition Contract No. (1) – DQ: Effective as of 07/11/1993; valid for 99 lease years, starting from the day following the end of the initial development period of 5 years.
Development and Acquisition Contract No. (2) – DQ: Effective as of 24/05/2000; valid for 99 lease years, starting from the day following the end of the initial development period of 2 years.
Development and Acquisition Contract No. (3) – DQ: Effective as of 06/07/2009; valid for 50 lease years, starting from the day following the end of the development period of 5 years.
Al Akaria signed a contract with the RCRC to lease the land of Al-Reef project and develop it as a residential and commercial project on 25/08/2022, for a term of 28 years, including a 3-year grace period.

Contracting Party: ROSHN

Contract Details:

A sale and purchase agreement (SPA) was entered into with ROSHN in June 2022. The agreement relates to developing the land plots located within parcels K1 and K2 of "Fai Sedra" residential plan.
The agreement also includes the development of the land plots located within parcels C1, C2, and C3 in Phase 2A of "Fai Sedra" residential plan.
The total value of the transactions amounts to SAR 465.6 million.

Contracting Party: Tilal Riyadh

Contract Details:

A partnership agreement was signed between Al Akaria, Riyadh Holding Company, and Riyadh Development Company to establish a special purpose vehicle (SPV), with the aim of developing an educational complex for boys and girls on the designated plots located within the Tilal Riyadh master plan in Al Malqa District.

Contracting Party: AlUla Development Company

Contract Details:

A memorandum of understanding (MoU) was signed with the Royal Commission for AlUla (RCU) and AlUla Development Company (UDC) dated 25 October 2023.
The MoU relates to developing the land of Sedra AlUla project located in AlUla.
The MoU includes comprehensive development of Sedra AlUla project with a total area of 260,233.23 m² and a total of 804 residential units (including 564 apartments and 240 residential units distributed between villas and townhouses).

Contracting Party: Fai Sedra 1, Fai Sedra 2

Contract Details:

A contract was signed to execute the residential complex in Sedra 1 in December 2023, and the residential complex "Fai Sedra 2" in November 2025, in Sedra District – ROSHN, Riyadh, with Rezaik Abdullah Saeed Al Gedrawy Al-Thubaiti and Partners Co. Ltd.

Contracting Party: Riyadh Expo 2030

Contract Details:

A framework agreement was signed with Riyadh Expo 2030 Company to carry out the initial works for the Riyadh Expo 2030 Project site (the "Project"), through one of its subsidiaries, Saudi Real Estate Infrastructure Company (Binyah).

Contracting Party: Al-Narjis Business Park Al-Reef

Contract Details:

Award of the contract for executing the civil, structural, architectural, electromechanical, and external works for the "Al-Narjis Business Park" project in Al Narjes District, Riyadh, with Saudi Real Estate Construction Company "Tamear".
Signing a contract to execute the civil, structural, architectural, electromechanical, and external works for the Al Akaria Residential Complex in the Diplomatic Quarter ("Al Reef Project"), with Saudi Real Estate Construction Company "Tamear".

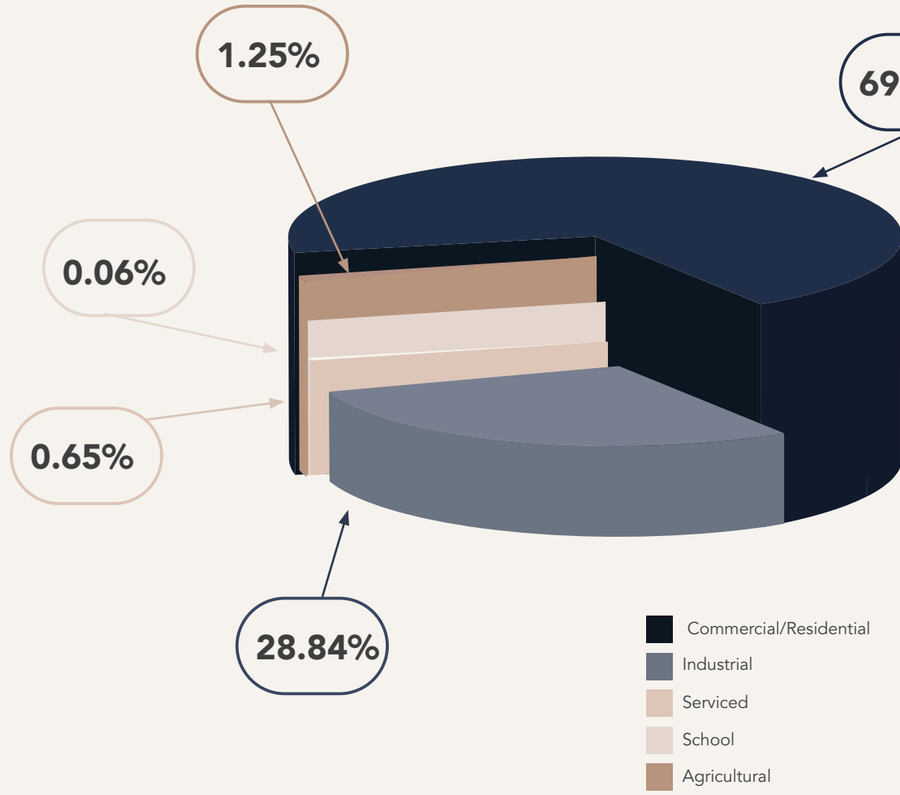
Land Portfolio

Land Portfolio as of End of December 2025

Land Portfolio	Land Area	Location	Usage of Land	Land Market Cap in 2025
		Riyadh		
Olaya Master Plan (No. 260)	9,432.00	Riyadh	Commercial Land	75,465,382
Az Zahra (No. 39 and 52)	9,857.00	Riyadh	Commercial Land	86,596,391
Az Zahra (No. 5 and 8)	2,241.00	Riyadh	Residential Land	10,181,536
Al-Aqeeq (No. 416)	25,500.00	Riyadh	Commercial Land	413,457,000
Al Aarid	30,000.00	Riyadh	Commercial Land	107,196,250
Banban (No. 15)	519,059.37	Riyadh	Undeveloped Land	171,175,007
Banban (No. 13)	871,597.87	Riyadh	Undeveloped Land	273,645,866
Banban (3)	648,188.96	Riyadh	Undeveloped Land	223,489,407
Banban (4)	596,700.00	Riyadh	Undeveloped Land	216,277,700
Tilal Riyadh (No. 4234/)	3,712.50	Riyadh	Residential Land	6,994,888
Tilal Riyadh (No. 4293/)	4,950.00	Riyadh	Residential Land	9,173,851
Al-Widyan*	6,091,897.00	Riyadh	Undeveloped Land	7,930,211,851
Akaria Park	246,627.35	Riyadh	Commercial/ Residential Land	519,937,672
Al Olaya Land	2,655.47	Riyadh	Educational Land	7,649,138
Total in Riyadh	9,062,418.52			10,051,451,938
		Jeddah		
Porta Jeddah	49,800.08	Jeddah	Commercial Land	354,137,752.50
Total in Jeddah	49,800.08			354,137,752.50
		Madinah		
Mitan (No. 19)	87,750.60	Madinah	Agricultural Land	35,574,179.50
Mitan (No. 29)	1,578.28	Madinah	Residential Land	2,505,440
Al Aqool	157,280.15	Madinah	Agricultural Land	57,780,766.50
Total in Madinah	246,609			95,860,386
		Dammam		
Industrial City (No. 26–1/)	5,675,598	Dammam	Industrial Land	717,960,654.51
Al-Owaiziriah (No. 9)**	3,941,966	Dammam	Undeveloped Land	601,096,530.00
Total in Dammam	9,617,564			1,319,057,184.51
**The area constitutes 50% of the total land area and represents the actual ownership of the property.				
Total Area of Land Portfolio	18,976,423.55			
Total Land Market Cap in 2025	11,820,507,215			

The Company completed the procedures for sub-dividing the primary title deed for the Al-Widyan project land, by splitting the deed into fifteen separate titles. This procedure is an internal technical/administrative step aimed at organizing ownership documentation; it does not, in itself, result in any change to the ownership of the land or its legal status. Furthermore, the sub-division process resulted in updating the areas and boundaries of the plots to comply with planning requirements and the allocation of spaces for public services (such as streets, pathways, etc.), for organizational and technical purposes.

Land Type	Land Area (M2)	Market Value in 2025 (SAR Mln)	No. of Plots	% of Total Lands
Serviced	126,932		8	0.65%
Commercial/Residential	13,615,562		7	69.20%
Industrial	5,675,630		1	28.84%
Agricultural	246,609		3	1.25%
School	12,259		5	0.06%
Total	**19,676,992**		**24**	



Subsidiaries

Al Akaria's strong local depth is embodied in its six subsidiaries, all of which were established and have their headquarters fully within the Kingdom.

Company Name	Short Name	Ownership Percentage	Capital	Key Activities
Saudi Real Estate Infrastructure Company	Binyah	60%	SAR 300 Mln	Executing Infrastructure Works
Saudi Real Estate Construction Company	Tamear	100%	SAR 34 Mln	Building Construction
Saudi Korean Company for Maintenance and Property Management	Mumtalakat	20%	SAR 20 Mln	Property Maintenance, Operation, and Management
Al Widyan Saudi Real Estate Company	Al Widyan	100%	SAR 0.5 Mln	Development of project
Hudood Real Estate Investment Company	Hudood	100%	SAR 0.01 Mln	Real Estate Development
Creativity HQ for Coworking Spaces Company – UNBOX	UNBOX	100%	SAR 0.01 Mln	Administrative Services

1 Saudi Real Estate Infrastructure Company "Binyah"

Saudi Real Estate Infrastructure Company "Binyah" is one of Al Akaria's leading subsidiaries. It is a closed Saudi joint stock company established in 2017 with an initial capital of SAR 50 million. "Binyah" capital was increased in 2024 to SAR 300 million in a strategic step to strengthen its competitive position and meet the requirements of its expansion plans in the vital infrastructure sector.
Since its establishment, "Binyah" has successfully reinforced its position as a strategic and trusted partner in executing infrastructure projects across the Kingdom. This achievement has been driven by its strict commitment to the highest standards of quality, safety, and sustainability, as well as its proven ability to deliver major projects in accordance with defined timelines.
The Company's headquarters is located in Riyadh.

"Binyah" Business Activities

The Company specializes in executing integrated infrastructure projects, including:

- Execution and construction of road networks, bridges, and urban streets.
- Construction and extension of water, wastewater, and stormwater drainage networks, including operation, maintenance, and cleaning services.
- Construction and extension of electrical power and gas distribution networks and stations.

Since its establishment, "Binyah" has focused on building highly specialized engineering and operational capabilities and adopting innovative work methodologies to ensure the highest levels of quality, efficiency, and sustainability in execution. This direction has enabled it to be an effective and trusted partner in major government projects and PIF's projects, and a key contributor to achieving Saudi Vision 2030 objectives by enhancing quality of life and national infrastructure.

Target Sectors

"Binyah" focuses on a set of strategic sectors that serve as key pillars for infrastructure development in the Kingdom, including the following:

Construction Sector

Executing major projects in infrastructure and civil and engineering works, in accordance with the highest standards of quality and operational efficiency.

Transport Sector

Developing and executing roads, bridges, tunnels, and modern transport systems by providing required services such as road works, bridges and tunnels, infrastructure works, earthworks, and enabling works.

Entertainment Sector

Participating in developing infrastructure for major entertainment and tourism projects, contributing to economic diversification and improving quality of life.

Housing Sector

Supporting national housing initiatives through constructing and developing service facilities and infrastructure networks for residential communities.

Real Estate Development Sector

Contributing to the development of integrated real estate projects and supporting infrastructure, enhancing the economic and urban value of targeted areas.

Energy Sector

Constructing, extending, and operating electricity, water, and gas, reinforcing the reliability and sustainability of vital services.

"Binyah" Achievements in 2025

"Binyah" delivered a number of strategic projects reflecting its execution capabilities and operational efficiency in infrastructure, including:

Excavation works for parking lots (A & B): Deep excavation works executed in accordance with the highest safety and quality standards, preparing the site efficiently for subsequent construction stages.

Design-and-build of three concrete support structures: Design and construction of three main structures in the southern, northern, and central areas within the scope of the metro project, under a design-and-build model.

Key Challenges in 2025

"Binyah" faced several challenges during 2025, including:

Market Competition Risks

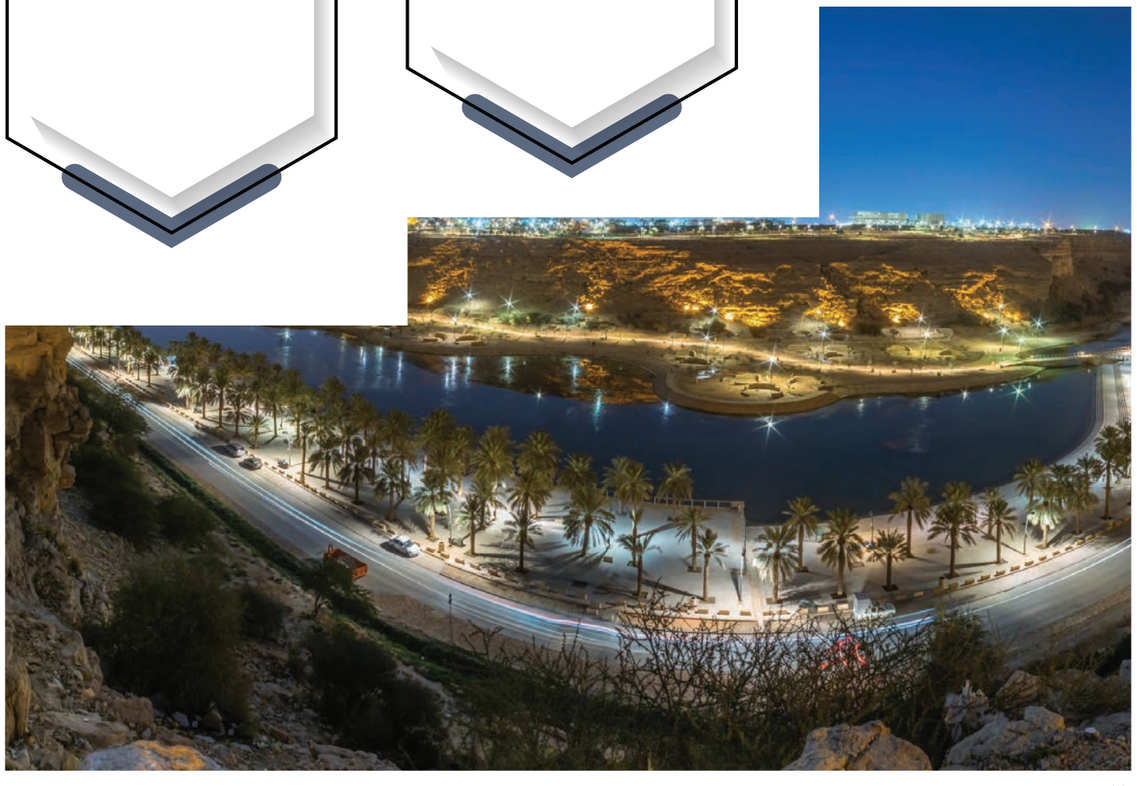
"Binyah" operates in a competitive environment and faces strong competition with specialized infrastructure companies. Competition is based on factors including reputation, customer satisfaction, and pricing. Competition intensity has increased in recent years among infrastructure service providers, affecting companies' sustainability and market share. The Company provides no assurances of its ability to keep pace with competition effectively.

Cybersecurity Risks

Cybersecurity represents a critical step in developing business through modern technologies. Cyber risks include threat attempts and leakage of sensitive, unauthorized information to unrelated external parties. "Binyah" seeks to deploy its human and electronic capabilities to protect such information in accordance with the highest standards and to develop human capabilities to handle such cases.

Supply Chain Challenges

"Binyah" strengthened its partnerships with local suppliers to secure optimal pricing through long-term framework agreements and multiple local sourcing options, contributing to enhancing local content and reducing costs.



Contracts and Agreements during 2025

"Binyah" successfully expanded its customer base and attracted new strategic projects during 2025, most notably:

Signing a 4-year MoU with Expo 2030 Riyadh to execute a design-and-build project for advertising barriers, representing a strategic step to strengthen the Company's presence in major national projects and support its position as a trusted partner in the infrastructure sector.

Future Opportunities and Projects

"Binyah" looks forward in the next phase to capturing and developing pivotal strategic opportunities directly aligned with Saudi Vision 2030 objectives and national transformation programs. This aims to strengthen its leading position as a key partner in executing advanced infrastructure projects across the Kingdom.
Key strategic opportunities are centered around the following themes:

Mega-city and Destination Projects

- NEOM Projects
- Destination Development Company (DDC)
- Saudi Downtown Company (SDC)
- ROSHN Projects

Urban and Entertainment Infrastructure Development

- King Salman Park Project
- Sports Boulevard Project
- Development of Current and Future Sports Stadiums

Water and Transport Infrastructure

- National Water Company (NWC) Projects
- Water Transmission Company (WTCO) Projects
- Riyadh Airports (Within Air Transport Development Projects)

Developmental and Heritage EntitiesDestination Projects

- Royal Commission for AlUla (RCU)
- AlUla Development Company (UDC)
- Soudah Development Company (SDC)
- Hunting Reserves Development Company (HRDC)

Government Initiatives and Other Sectors

- Ministry of Housing Projects
- MODON (Industrial Cities) Projects
- Maaden (Mining Sector) Projects

Major Events

- Infrastructure associated with the Saudi 2034 FIFA World Cup
-
- Infrastructure associated with Expo 2030.

2 Saudi Real Estate Construction Company "Tamear"

The Saudi Real Estate Construction Company "Tamear" was established on 28 November 2016 (corresponding to 28/02/1438H) with a capital of SAR 100 million, which was later amended to SAR 34 million on 30 June 2022. "Tamear" is a closed Saudi joint stock company, wholly owned (100%) by Al Akaria.
"Tamear" applies contemporary building systems and standards, which directly contribute to enhancing operational efficiency, improving cost management, and ensuring projects are delivered in accordance with approved timelines. In recognition of its commitment and dedication, the Ministry of Municipal and Rural Affairs and Housing (MOMRAH) awarded the company the classification of "Class I Construction Contractor."
"Tamear" core business activities focus on providing integrated services that cover the full life cycle of construction projects:

- **General Construction Works:** Executing the construction and development of complexes and buildings of various types.
- **Project Management and Engineering:** Preparing detailed engineering designs, managing construction projects, procuring materials, and executing the projects under its management.
- **Operations and Maintenance Services:** Maintenance, cleaning, and operation of buildings and real estate complexes.
- **Specialized Infrastructure:** Construction and extension of electrical power and gas distribution networks and their stations.

Target Sectors

Construction Sector
Building construction works – external works – hotels.

Urban Planning and Site Design Sector
City and site landscaping/ coordination.

Landscaping & Afforestation Sector
Ornamental planting and waterfalls (nurseries) – landscaping works.

Manufacturing and Interior Fit-out Sector
Carpentry works, aluminum workshops, and interior design works.

Projects Delivered by the Company in 2025

Residential Projects

Project Name	Location	Residential Units	Units Handed Over	Completion Rate
Establishment of Al Mashriqiyah	Al Janadriyah District	401 Villas	389	98.10%
Establishment of Al-Reef Residential Compound	The DQ	27 Villas + 37 Townhouses + 176 Apartments	-	75%
Renovation of Al Olaya Oasis – Gate 6	Al Olaya District	146 Apartments	-	100%*
Renovation of 30 Villas – The DQ	The DQ	30 Villas	30	100%

The project was handed over to Al Akaria at the end of December 2025.

Commercial Projects

Project Name	Location	Completion Rate
Establishment of Tilal Riyadh Commercial Center	Al Malqa District	79%
Renovation of Al Akaria 2 & 3	Al Olaya District	10%

Key Challenges during 2025

Real Estate and Construction Market Changes
The construction sector in the Kingdom witnessed heightened competition with the entry of local and global companies backed by substantial capital. Mega projects are also shifting toward more efficient delivery models, such as modular construction and smart technologies, requiring "Tamear" to enhance its pricing strategies and delivery speed. In addition, government entities have begun applying stricter standards for execution quality and site safety, creating additional challenges related to operational efficiency and cost.

Digital Transformation
Digital transformation in the Kingdom's construction sector is accelerating, driven by Saudi Vision 2030 initiatives, as government entities and major companies require the use of integrated digital platforms to manage projects and supply chains. This presents a challenge for "Tamear" in upgrading its internal systems and integrating them with national platforms such as "Muqawil Platform" and "Etimad Platform", while also investing in training technical talent and raising digital awareness.

Sustainability
The Kingdom is increasingly moving toward green building and reducing the carbon footprint of projects. Applying these new sustainability standards poses challenges in terms of upfront costs and the availability of environmentally friendly materials. Moreover, PIF's projects require strict compliance with global sustainability standards, obligating "Tamear" to enhance its processes and supplier management accordingly.

Cash Flows
With increased competition and evolving technical requirements, cash flows are affected by changing payment schedules and longer project cycles. This necessitates more precise cash-flow management and tighter control of operating costs without compromising execution quality. Delays in awarding some government projects may also impact short-term liquidity.

Saudization and Development of Local Talent
Saudization of technical and specialized roles in the contracting sector remains a challenge, particularly given the need for qualified engineers and technicians in advanced fields such as sustainable energy and smart construction. This requires "Tamear" to strengthen partnerships with universities and technical institutes and develop internal programs for continuous training and building Saudi leadership in the sector.

Solutions

Developing a more flexible pricing methodology and enhancing competitiveness through strategic partnerships, continuous improvement in execution quality, and faster delivery.

Intensifying investments in digital transformation and upgrading operating systems, alongside training programs to strengthen technical capabilities and ensure integration with government platforms.

Embedding sustainability principles across all design and execution stages and strengthening cooperation with approved suppliers to secure sustainable materials efficiently and cost-effectively.

Adopting a more precise system for liquidity management and cash-flow monitoring, with a focus on spending efficiency and improving payment terms through negotiation and long-term partnerships.

Maintaining current Saudization levels and strengthening continuity through specialized development and qualification programs in cooperation with national academic institutions.

Contracts and Agreements during 2025

Project Name	Status	Contract Objective	Sector	Duration (Days)	Contract Value (SAR Mln)	Contract Type	Date
Qiddiya Project	Under Execution	Design and build a services building for Qiddiya golf course.	Commercial/ Residential	540	49,976,154	Construction	11/08/2025
Narjes Project	Under Execution	Construction of 18 commercial buildings with two shared basements.	Commercial	730	338,784,971	Construction	01/12/2025

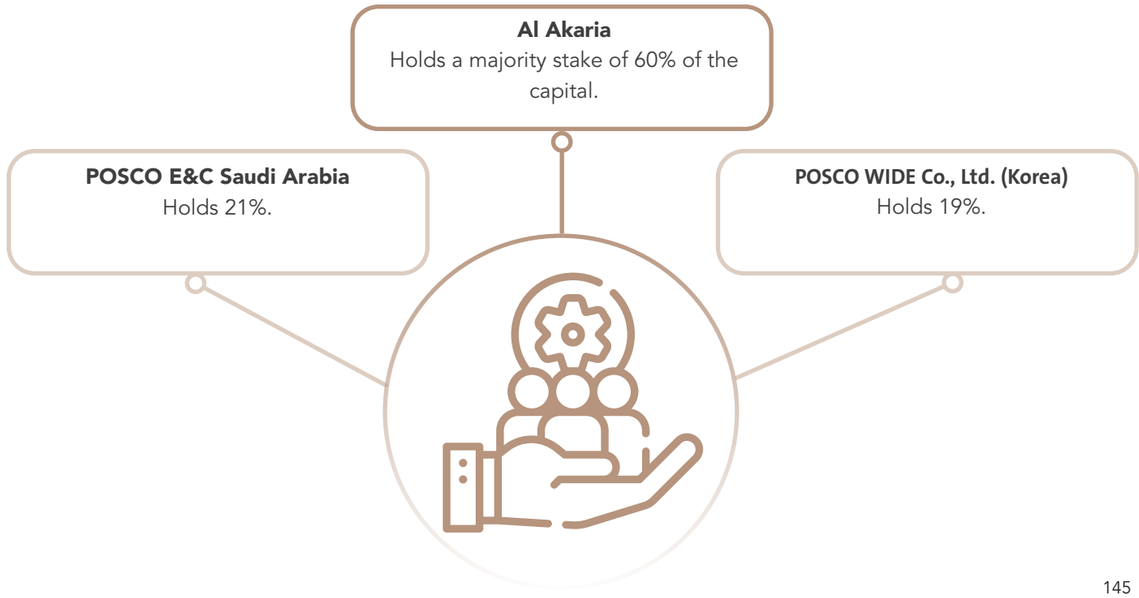
Future Opportunities

#	Project Name	Location	Tamear Potential Opportunities
1	Qiddiya	West Riyadh	Construction works and concrete buildings
2	Diriyah Gate	Riyadh	Hotel construction, luxury finishes, and landscaping works
3	New Murabba	Riyadh	Commercial building works
4	King Salman Park	Riyadh	Landscaping and construction works
5	King Salman International Airport	Riyadh	Construction works and building finishing
6	Riyadh Green	Riyadh	Planting and irrigation works; green infrastructure
7	Jeddah Central	Jeddah	Restoration of residential and non-residential buildings
8	Rua Al Madinah	Al Madinah Al Munawwarah	Commercial building works
9	Soudah Peaks	Aseer	Commercial building works; hotel construction
10	Masar Destination	Makkah Al Mukarramah	Construction works
11	ROSHN	Riyadh	Residential works; commercial building works
12	Misk	Riyadh	Residential works
13	ARDARA	Aseer	Hotel construction; commercial building works
14	KAFD	Riyadh	Construction works
15	RCU	AlUla	Construction works

3 Saudi Korean Company for Maintenance and Property Management “Mumtalakat”

Saudi Korean Company for Maintenance and Property Management “Mumtalakat” was established in Riyadh, Saudi Arabia, as a mixed limited liability company on 31/10/2017, with a capital of SAR 20 million. The company specializes in providing integrated solutions for the management and operation of facilities of all types, in accordance with the highest technical and operational standards recognized locally and internationally.

The company’s shareholding structure is divided as follows:



Company Business Activities

"Mumtalakat" provides an integrated suite of specialized services covering all operational and maintenance aspects of facilities, as follows:

1 Technical Services

- Heating, ventilation, and air-conditioning systems (HVAC).
- Electrical and plumbing networks.
- Elevators and escalators.
- Firefighting and fire safety systems.
- Control and monitoring systems, including Building Management Systems (BMS) and Extra-Low Voltage (ELV) electronic systems.

2 Administrative and Support Services

- Energy efficiency management and consumption optimization.
- Asset and property management.
- Smart facilities management (Smart FM) and technology solutions.
- Technical consulting for operations and maintenance.

3 Operational Services

- Comprehensive cleaning of all facility areas.
- Security services.
- Hospitality and catering services.
- Pest control.
- Landscape and garden maintenance and coordination.
- Waste management and treatment.

Target Sectors

Government sector and national giga projects: PIF, NEOM, The Red Sea, ROSHN, Qiddiya, SEVEN, Ministry of Culture, Ministry of Education, and Ministry of Sport.

Entertainment, tourism, and hospitality sectors.

Banking and airport sectors.

Residential, commercial, and industrial sectors.

Key Challenges in 2025

Intense Local and International Competition

The Saudi market is seeing new regional and global entrants offering low competitive pricing, placing significant pressure on pricing levels and profit margins.

Regulatory Challenges and HSE and Saudization Requirements

There is a clear gap in local specialized health, safety, and environment (HSE) competencies, creating a challenge in meeting Saudization requirements and applicable HSE standards.

Economic Fluctuations and their Impact on Budgets and Collections

Changes in public spending policies or delays in disbursements for projects directly affect revenue flows and operating obligations.

Delays in major Projects

Some major projects face delays in execution or operation, impacting the timing of contract awards and expected revenues.

Company Achievements in 2025

Providing Services to 27 Projects

9 Contracts and Agreements Valued at SAR 66,222,881

Future Opportunities and Projects (2026)

Target Sector	Target Entities	Strategic Objective	Primary Goal
Government and Institutional Sector	Ministries, municipalities, and major government projects (such as projects of the General Entertainment Authority (GEA), Ministry of Culture, and Ministry of Education).	Building long-term partnerships and comprehensive, end-to-end operating contracts.	Reinforcing the Company's position as a strategic partner in Saudi Vision projects.
Giga and Mega Projects	Saudi Vision's giga projects and mega residential projects (such as ROSHN).	Building long-term partnerships and comprehensive, end-to-end operating contracts.	Reinforcing the Company's position as a strategic partner in Saudi Vision projects.
Entertainment, Tourism, and Hospitality	Tourism developers and entertainment destinations (such as SEVEN, Red Sea, and Qiddiya).	Providing support and services for major destination projects.	Focusing on supporting SEVEN projects and Red Sea destinations.
Financial Sector and Airports	Banks, financial institutions, and airports.	Securing stable long-term, recurring O&M contracts.	Ensuring a stable and reliable revenue stream.
Retail and Commercial Centers	Commercial complexes and shopping centers.	Phased, well-planned expansion.	Achieving balanced growth in this supporting sector in phases.
Industrial and Logistics	Industrial zones and logistics support centers.	Phased, well-planned expansion.	Achieving balanced growth in this supporting sector in phases.
Residential	Gated residential communities.	Phased, well-planned expansion.	Achieving balanced growth in this supporting sector in phases.

4 Creativity HQ for Coworking Spaces Company "UNBOX"

Creativity HQ for Coworking Spaces Company "UNBOX" was established in 2025 as a limited liability company (LLC) and is wholly owned by Al Akaria. Its capital amounts to SAR 10,000. The Company's activities include administrative and support services.

As part of the Company's efforts to develop its products and enhance the diversification of income sources through value-added real estate solutions, Creativity HQ for Coworking Spaces Company was established in 2025, with actual operations set to commence in 2026 through UNBOX. The company aims to offer a flexible and integrated suite of solutions, including private offices, co-working spaces, and fully integrated administrative services, to meet the needs of entrepreneurs and companies of all sizes.

The company's operations are located within Al Akaria 2, covering a total area of 5,500 m^2, supporting the company's approach to maximizing the utilization of its operating assets and enhancing the appeal of its commercial destinations.

5 Al Widyan Saudi Real Estate Company «Al Widyan»

Al Widyan Saudi Real Estate Company "Al Widyan" was established as a closed Saudi joint stock company on 12 July 2018. The company started with a capital of SAR 100 million, which was later reduced to SAR 500,000 on 07 August 2022. The company is wholly owned (100%) by Al Akaria.
"Al Widyan" is Al Akaria's execution arm and is responsible for managing and implementing "Al Widyan" project, a leading real estate development initiative aimed at establishing an integrated, multi-purpose city ("a city within a city"). The project is located north of Riyadh and extends over a geographic area of up to 7 million m², featuring a wide range of facilities, most notably the largest entertainment city, a unique water park, in addition to residential, commercial, entertainment, cultural facilities, and corporate headquarters.

Key Activities

- **General Construction:** For residential and non-residential buildings, including vital facilities such as schools, hospitals, and hotels.
- **Restoration Works:** For residential and non-residential buildings.
- **Other electrical installations.**
- **Real Estate Management and Leasing:** Owned or leased, residential and non-residential.
- **Management and operation of serviced apartments.**

In 2016, Al Akaria invested in the land of «Al Widyan» project. In 2021, regulatory authorities informed the company that the land currently falls within the scope of a study by relevant government entities concerned with development. This may lead to unspecified changes to the project's original master plan. The final impact of these changes remains uncertain and will be determined based on the development plan to be submitted by the relevant entities.
Al Akaria's management continues to hold discussions with relevant stakeholders to determine the best ways to address the land's status.

6 Hudood Real Estate Investment Company "Hudood"

Hudood Real Estate Investment Company "Hudood" was established as a limited liability company (single person) and is wholly owned by Al Akaria, pursuant to a registration certificate issued by the Ministry of Commerce under No. (101836057). Hudood capital is SAR 10,000, divided into 1,000 equal shares, with a par value of SAR 10 per share.

Customers and Suppliers

Al Akaria considers customers and suppliers to be part of its success journey and a fundamental component of its business ecosystem. Strategically, the Company links customer satisfaction to Key Performance Indicators (KPIs), underscoring a long-term view of service quality as a core pillar of business success.
The Company relies on periodic surveys conducted by independent firms to ensure objectivity and professionalism. These surveys focus on key aspects of the customer relationship, including:

- Communication Effectiveness: The clarity and speed of communication channels with the Company.
- After-sales Service: Efficiency in handling post-sale services and issues.
- On-time Project Completion: Adherence to announced timelines, as a decisive trust indicator.
- Customer Support: Professionalism and responsiveness of support teams.
- Contractual Transparency: Clear drafting and explicit contractual terms.

Customer Satisfaction

The Company achieved a score of 23 in its Net Promoter Score (NPS), a key metric used to evaluate customer loyalty, satisfaction, and brand advocacy. It is calculated by asking customers one question: "On a scale of 0 to 10, how likely are you going to recommend this product/company to a friend or colleague?"
This score is considered positive and high in the real estate sector and indicates a high level of overall satisfaction and loyalty. More importantly, it indicates that the number of brand promoters is more than double the number of detractors. Promoters are highly satisfied customers who are willing to recommend the brand to others, reducing the cost of acquiring new customers and strengthening organic growth through positive word-of-mouth marketing.
Despite this high score, the Commercial Department continues to dedicate efforts to deliver the best possible service to further increase customer satisfaction levels.

In 2025, a number of initiatives were activated focusing on digital transformation, transparency, and fulfilling maintenance and development commitments.

Initiatives to Enhance Customer Satisfaction

Gradual Digitalization of Service Level Agreement (SLA) Operations

Digitally documenting tenant requests, enabling analysis of this data to derive insights into future service improvements.

Aging Analysis of Receivables for Debt Reduction

A proactive step to address overdue receivables, aimed at reducing "debts" and improving the Company's financial statement position.

Commercial Department Achievements in 2025

Achievement

- Activating Digital Platforms for Customer Requests
- Improving Internal Communication
- Sending Progress Reports to Buyers
- Facility Upgrades in Response to Tenant Requests
- Renovation of Commercial and Residential Projects

Positive Outcomes

Improved Service Efficiency	Faster Delivery	Enhanced Transparency and Compliance	Meeting Market Requirements	Higher Quality and Cost Efficiency
Enabling maintenance and operations requests electronically to streamline procedures and accelerate response.	Accelerating handling of complex customer requests (such as security deposit refunds) through better coordination between departments.	Strengthening the confidence of "off-plan sales" customers and meeting "Wafi" program requirements, supporting the Company's cash flows.	Making upgrades and adding new amenities to residential compounds, strengthening tenant loyalty.	Improving and upgrading facilities and services, with a positive long-term impact on reducing operating costs.

Forward Outlook

AL Akaria's forward plan reflects a commitment to focusing on areas that directly impact customer experience:

Enhancing Communication:
Providing regular updates on project status and payment schedules.

Improving After-sales Service:
Ensuring full delivery on promises and commitments made during the sales process.

Customer Support:
Continuing to train customer service teams to raise professionalism and speed of response.

Contractual Transparency:
Ensuring accurate drafting and easy-to-understand contract terms to guarantee full clarity.

On-time Project Completion:
Strict adherence to timelines as being considered the most important pillar in building real estate trust.

Section V: Governance and Compliance

Governance Strategy	156
Board of Directors	160
Duties and Responsibilities of the Board of Directors	162
Board Committees	180
Executive Management	200
Remuneration Policy	209
Dividend Distribution Policy	215
Related Party Transactions	217
Provisions and Compliance Levels	217
Internal Audit Results	218
Cases	220
Board Declarations	221

Governance Strategy

The Saudi Real Estate Company (hereinafter referred to as "Al Akaria" or the "Company") adopts a progressive governance vision that transcends mere regulatory compliance. We view governance as a "corporate culture" designed to drive productivity and foster trust among investors. This strategy is closely aligned with Saudi Vision 2030, which prioritizes transparency and the protection of stakeholder rights as pillars of economic transformation.

The Company's governance framework serves as a fundamental cornerstone of its commitment to professional standards and the Kingdom's legislative and regulatory requirements. Through this strategy, the Company seeks to safeguard stakeholders' rights and elevate institutional performance. The Company's governance framework is grounded in the Corporate Governance Regulations issued by the Capital Market Authority (CMA) and the New Companies Law issued under Royal Decree (M/132) dated 30 June 2022.

The new Companies Law aims to raise the bar for corporate governance standards, streamline statutory procedures and requirements to stimulate the business environment and support investment, balance the interests of related parties, and provide companies with an effective and fair governance framework.

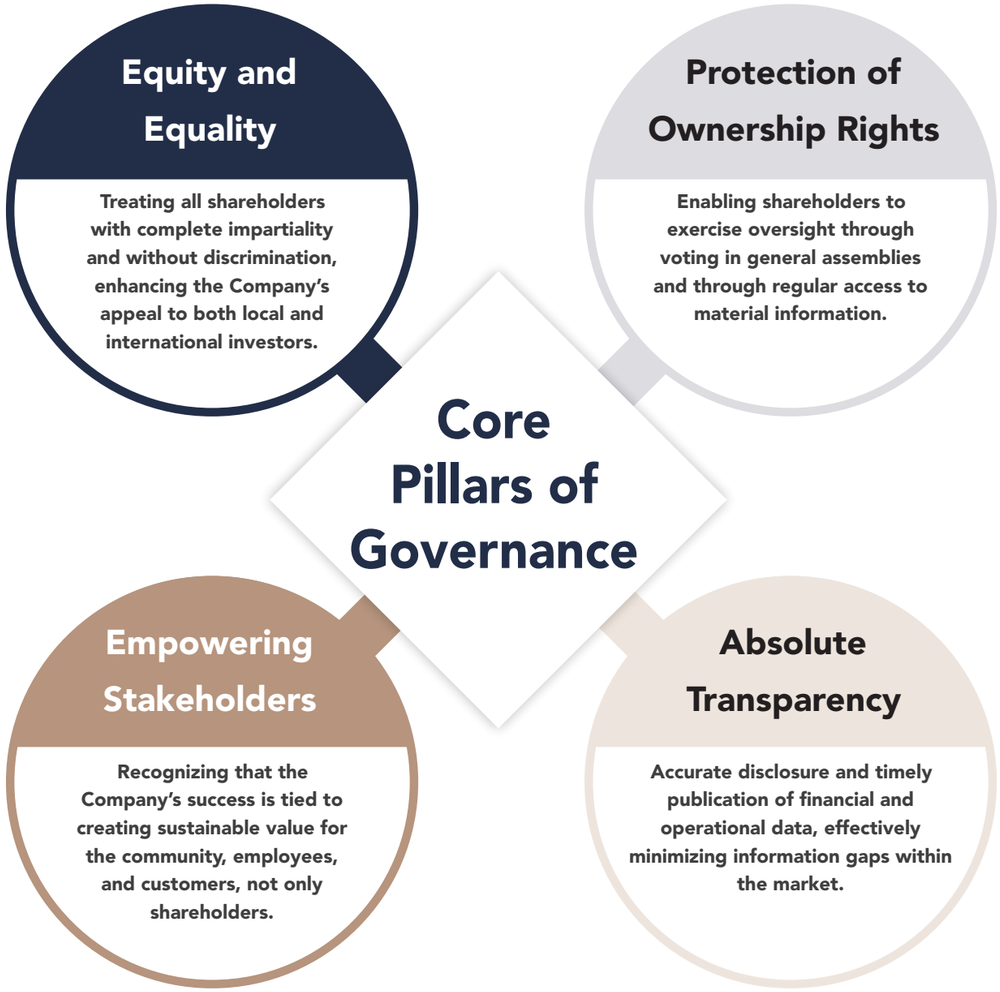
Al Akaria has taken substantial steps to ensure the alignment of its legal framework, including:

- **Articles of Association (AoA) Amendment:** In November 2024, the Extraordinary General Assembly approved amendments to the Company's AoA to ensure full compliance with the new Companies Law.
- **Adherence to Modern Regulations:** The Company closely monitors the implementation of new legislation and requirements, including the Personal Data Protection Law (PDPL), Regulations on Preference for Local Content, and resolutions relating to the Saudization of engineering professions.

Governance Structure and General Framework

Al Akaria's governance framework is built on a precise alignment between external regulatory requirements and internal strategic objectives, as evidenced by:

1. **Regulatory Reference:** Governance is anchored in the new Companies Law, CMA regulations, and the Company's AoA, creating a cohesive legal environment.
2. **Continuous Development:** The Company draws on specialized internal and external consultancy expertise to update Board and committee charters, ensuring they keep pace with rapid shifts in the real estate development market.
3. **Policy Integration**: The framework includes a suite of specialized policies, such as the disclosure and transparency policy and the policy for protecting shareholder rights.



Al Akaria's governance model is built upon the active involvement of the Board of Directors and specialized committees to ensure robust oversight and transparency through four specialized committees:

1. **Executive Committee:** Oversees the Company's operational activities, reviews executive policies and business plans, and monitors the performance of the Executive Management to ensure the efficient and effective realization of strategic objectives.
2. **Audit Committee:** Oversees internal controls and financial risk management, reviews financial statements, and ensures compliance with accounting standards and relevant regulations, strengthening transparency and credibility in financial reporting.
3. **Governance, Risk and Compliance (GRC) Committee:** Ensures the implementation of an integrated framework for governance, risk management, and compliance, including Environmental, Social, and Governance (ESG) standards. The committee includes independent external experts to ensure impartiality and promote best practices.
4. **Nomination and Remuneration Committee (NRC):** Develops and reviews remuneration, incentive, and compensation policies to ensure alignment with performance, and oversees the nomination and selection of executive leaders and Board members based on criteria of competence and independence.

The Governance and Compliance Department serves as a robust line of defense to instill ethical standards through:

☑ Reporting Channels: Establishing a hotline and a dedicated email address for reporting violations related to business integrity.

☑ Compliance Library: Building a digital library containing all relevant laws and regulations, ensuring easy access across departments.

☑ Institutional Awareness: Organizing seminars and periodic communications to raise employee awareness of transparency and disclosure.

Future Governance Directions

Al Akaria has set an ambitious roadmap for the future, including:

☑ Automation of Oversight Processes: Leveraging technology to minimize human intervention in monitoring, thereby enhancing data accuracy and the rapid detection of deviations.

☑ Updating Codes of Conduct: Conducting a comprehensive review of the Code of Conduct, ethical values, and conflict of interest policies to uphold the highest standards of integrity.

☑ Sector-specific Governance: Developing tailored policies for the real estate development and commercial sectors, reflecting a nuanced understanding of each sector's unique risk profile.

☑ Through this approach, the Company ensures that governance is transformed from a mere regulatory requirement into a corporate culture that supports its ambitions to remain a key player in achieving Saudi Vision 2030.

Board of Directors

The Board of Directors of Al Akaria was elected by the General Assembly on 09 February 2025, for a four-year term. This term commenced on 10 February 2025, and is scheduled to conclude on 09 February 2029.

The Board comprises nine members, including five non-executive members and four independent members, in accordance with the Corporate Governance Regulations. This composition promotes impartial decision-making, strengthens governance independence, and helps prevent conflicts of interest, fully aligned with the highest institutional standards.

Board members bring broad and deep expertise across real estate and finance, enhancing the Board's capacity to perform its duties with effectiveness and efficiency. Their diverse qualifications reinforce their standing as leaders with strategic vision and informed insight, supporting the Company's goals and sustainable performance. The Board's effective performance reflects a strong commitment to sound governance principles, including appointing a Chairman and Vice Chairman, and holding regular, structured meetings for the Board and its committees, reinforcing follow-up efficiency and embedding strategic oversight across the Company.

Eligibility Requirements for Board and Committee Membership

1. A Board/Committee Member must possess professional competence, including the necessary experience, knowledge, skill, and independence to perform duties effectively, contribute meaningfully to the Company's management and growth, and protect its achievements.
2. A Board Member shall not hold membership in more than five listed joint-stock companies at the same time.
3. A Board Member must not be employed by a competing company, nor participate in any activity that competes with the Company, except with prior approval from the General Assembly.
4. A Board Member must not have previously been removed or dismissed from the board/committee of a joint-stock company or any entity due to negligence, mismanagement, or irregular attendance at board and committee meetings.
5. A Board Member shall not have been previously convicted of a crime involving moral turpitude or dishonesty, and must not be deemed unfit for membership under any applicable laws or regulations in the Kingdom of Saudi Arabia.
6. A Board Member must represent all shareholders and uphold the principles of honesty, integrity, loyalty, care, and prioritizing the Company's and shareholder interests over personal interest, specifically including:

- Maintaining a genuine professional relationship with the Company and disclosing any influential information before executing any transaction or contract with the Company or its subsidiaries.
- Avoiding transactions that involve a conflict of interest, ensuring fairness of dealings, and observing applicable regulatory requirements relating to conflicts of interest.
- Performing the duties and responsibilities stipulated in the Company's regulations, AoA, and relevant regulatory requirements.
- Ability to Lead: Possessing leadership skills which enable him to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values.
- Competency: The Member shall have appropriate academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.
- Ability to Guide: The Member shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements related to the job. He shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
- Financial Knowledge: The Member shall be able to read and understand financial statements and reports.
- Physical Fitness: The Member shall have no health problems preventing him from performing his duties and responsibilities.

7. The independent Member must be able to perform duties and vote objectively and impartially, supporting the Board in making sound decisions that serve the Company's interests. Accordingly, the independent Member must not be subject to any of the following independence-impairing factors:

- If the Member holds five percent or more of the shares of the Company or any other company within its group; or is a relative of who owns such percentage.
- If the Member is a relative of any member of the Board of the Company, or any other company within the Company's group.
- If the Member is a relative of any Senior Executive of the Company, or of any other company within the Company's group.
- If the Member is a Board Member of any company within the group of the Company for which he is nominated to be a Board Member.
- If the Member is an employee or used to be an employee, during the preceding two years, of the Company or a company within its group, or if he held a controlling interest in the Company or any party dealing with the Company or any company within its group, such as external auditors or main suppliers during the preceding two years.
- If the Member has a direct or indirect interest in the businesses and contracts executed for the Company's account.
- If the Member receives financial consideration from the Company in addition to the remuneration for his membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less.
- If the Member engages in a business where he competes with the Company, or conducting businesses in any of the company's activities.
- If the Member served for more than nine years, consecutive or inconsecutive, as a Board Member of the Company.

Unless the NRC considers otherwise, the businesses and contracts with the Board Member to meet his personal needs shall not be deemed as an interest that affect the independence of the Board Member which require an authorization from the ordinary general assembly, provided that such businesses and contracts are carried out in the same conditions and settings followed by the Company with all contractors and dealers, and that such businesses and contracts must be within the normal course of the Company's activities.

Duties and Responsibilities of the Board of Directors

General Roles and Responsibilities

Subject to the powers reserved for the Ordinary and Extraordinary General Assemblies, the Board of Directors is vested with the broadest authority to manage the Company and oversee its affairs. This excludes acts or actions that fall specifically within the jurisdiction of the General Assembly as per the Companies Law or other mandatory regulations. Unless the Ordinary General Assembly issues a specific restriction on the Board's powers, the Board may also, within its jurisdiction, delegate one or more of its members or third parties to perform specific tasks or actions. The Board's responsibilities include, but are not limited to, the following:

1. The Board represents all shareholders; it shall perform its duties of care and loyalty in managing the Company's affairs and undertake all actions in the general interest of the Company and develop it and maximize its value.
2. Submitting recommendations to the Extraordinary General Assembly regarding the following matters at a minimum:

- Increasing or decreasing the Company's share capital.
- Dissolving the Company before the end of its term as specified in its AOA or deciding the continuity of the Company.

3. Submitting recommendations to the Ordinary General Assembly regarding the following matters at a minimum:

- Use of the company's reserves, if they are not allocated for a specific purpose in the Company's AoA.
- Forming additional financial allocations or reserves for the Company.
- The method of distributing the net profits of the Company.

4. Defining and overseeing the Company's various activities and overall strategies in accordance with the duties and responsibilities set out in the Board's Rules of Procedure.

- Ensuring vacancies on the Board are duly filled.
- Approving salary scales and financial benefits for Executive Management and employees.
- Approving the assessment mechanisms for the Board of Directors and its committees.

5. Approving the Company's first-level organizational structure (including committees, sectors, and departments). This includes defining roles and allocating responsibilities between the Board and Executive Management, in line with corporate governance best practices, enhancing decision-making efficiency and achieving an appropriate balance of powers and authorities.
6. Establishing effective communication channels enabling shareholders to remain continuously and periodically informed about the Company's various activities and any material developments.
7. Notifying the Ordinary General Assembly, when convened, of the businesses and contracts in which any Board Member has a direct or indirect interest; the notification shall include the information provided by the member of the Board, and shall be accompanied by a special report of the Company's external auditor.
8. Receiving and reviewing periodic reports issued by the Company's Management and by the Board's committees.
9. Approving a mechanism to regulate the relationship with investors, particularly regarding addressing investor complaints, while overseeing the effectiveness and efficiency of its implementation.

Committee Formation

1. The Board shall form specialized committees derived from it through resolutions that define the duration, authority, and responsibilities of the committee, as well as the Board's oversight mechanism. The formation resolution must name the members, reference the regulations governing the committee (for those with approved charters), or outline tasks and authority (for those without), while also evaluating the performance and work of these committees and their members.
2. The Board provides full support to its committees to enable them to perform their duties effectively. It is the Board's responsibility to supervise committees' work in accordance with their governing regulations and formation resolutions. This includes reviewing their work by receiving at least one annual report from each committee summarizing its activities, related challenges, and key decisions taken.
3. The Board shall appoint a sufficient number of non-executive Board members to the committees to ensure the avoidance of any actual or potential conflict of interest.

Strategy

1. Developing the Company's key plans, strategies, and objectives, and overseeing their implementation and periodic review, while ensuring the availability of necessary human and financial resources. This includes:
2. Determining the Company's optimal capital structure, financial strategies, and objectives, and approving various estimated budgets.
3. Overseeing the Company's major capital expenditures, asset acquisition, and disposal.
4. Setting performance targets and monitoring overall implementation and performance within the Company.
5. Verifying the availability of human and financial resources necessary to achieve the Company's goals and strategic plans.
6. Approving internal policies related to the Company's operations and development, including defining the tasks, competencies, and responsibilities assigned to various organizational levels.
7. Approving a written and detailed policy that defines the authorities delegated to executive management, a schedule outlining those authorities, the method of execution, and the duration of the delegation. The Board may request periodic reports from executive management regarding the exercise of delegated powers. The Board shall specify the matters it reserves for its own final decision.
8. Reviewing the Company's performance against approved strategies, operational plans, budgets, and others.

Governance

1. Approving the company's general governance framework, which complies with relevant legal and regulatory requirements and leading governance practices, based on the recommendation of the Governance, Risk, and Compliance Committee.
2. Ensuring the effectiveness of the Governance, Risk, and Compliance Committee in monitoring the effective application of the general governance framework through periodic reports received from the committee in this regard.
3. Approving a general framework for governing the relationship with subsidiaries, including the foundations and mechanisms for planning, supervision, and communication at various levels, and supervising the efficiency of implementing the approved framework.
4. Approving the appointment of Al Akaria representatives in subsidiaries and companies where Al Akaria has the authority to appoint representatives, based on the recommendation of the Nominations and Remunerations Committee.

Internal Control

* Establishing internal control systems and controls and providing general oversight of them, including:
* Annual review of the effectiveness of internal control procedures within the Company.
* Ensuring the integrity of financial and accounting systems.

Conflict of Interest Policy

On 26 January 2025, Al Akaria's Board approved the Conflict of Interest and Related-Party Transactions Policy. This policy establishes a clear framework for governing actual or potential conflict of interest cases, ensuring they are managed in a manner that upholds the principles of transparency, integrity, and sound corporate governance.

The policy defines the roles and responsibilities of the Board of Directors, its committees, the Executive Management, Company employees, and the Compliance Department. It mandates the avoidance of any transactions or situations that may lead to a conflict of interest and requires immediate disclosure in accordance with approved procedures. Furthermore, the policy emphasizes the implementation of controls to prevent the misuse of information or resources for personal gain, ensuring full compliance with all relevant laws and regulations.

Board of Directors

First: The Board of Directors for the Previous Term Ended on 9 February 2025

Name	Position	Membership Status
Naif Saleh Al Hamdan	Chairman of the Board	Non-Executive
Fahad Abdulrahman Al Mojel	Vice Chairman of the Board	Non-Executive
Mohammed Musfir Al-Malki	Member	Non-Executive
Ibrahim Mohammed Al Alwan	Member	Non-Executive
Faisal Farkad Al Khani	Member	Non-Executive
Faisal Dhahir Al Enaze	Member	Non-Executive
Hisham Hussain Al Khaldi	Member	Independent
Fahad Ibrahim Al Hammad	Member	Independent
Mohammed Abdullah Al Smari	Member	Independent

Second: The Board of Directors for the Current Term commenced on 10 February 2025

Name	Position	Membership Status
Naif Saleh Al Hamdan	Chairman of the Board	Non-Executive
Hathal Al-Otaibi	Vice Chairman of the Board	Non-Executive
Mohammed Musfir Al-Malki	Member	Non-Executive
Mohammed Saud Al Essa	Member	Non-Executive
Saud Abdullatif Al Sheikh	Member	Non-Executive
Mohammed Farhan Nader	Member	Independent
Khalil Abdulqader Al Nammari	Member	Independent
Omar Mohammad Najjar	Member	Independent
Moath Naeem Al Naeem	Member	Independent

Board Biographies

Naif Saleh Al Hamdan

Chairman of the Board

Nationality

- Saudi

Current Positions

- Senior Director, Head of Real Estate Portfolio Management, Public Investment Fund (PIF).

Previous Positions

- Vice President, Investment and Business Development, Sulaiman AlRajhi Real Estate Company.
- Director, Investment Banking Group, Global Investment House.
- Senior Analyst, Real Estate Transaction Management, Ernst and Young (EY).
- Assistant Relationship Manager, Saudi British Bank (SAB).

Qualifications

- Bachelor's Degree, Finance, King Fahd University of Petroleum and Minerals (KFUPM).
- Master of Business Administration (MBA), University of Wales.

Experience

- Over 20 years of experience in investment, real estate development. Joined PIF in 2016, currently Head of the Local Real Estate Projects Portfolio, managing a portfolio that includes several major projects and companies in the real estate and infrastructure sectors. Key responsibilities include investment management and strategy development, from the pre-establishment phase through incorporation and the commencement of execution, in addition to overseeing and supporting newly established companies during and after establishment.
- Previously held several positions: VP, Investment and Business Development, Sulaiman AlRajhi Real Estate Company. Key roles in the private sector: Group Manager, Investment Banking, Global Investment House, Real Estate Transaction Advisory Services, Ernst and Young (EY), and corporate banking roles, SAB.
- Holds MBA, Cardiff Business, University of Wales School. Bachelor's Degree, Finance, KFUPM.

Hathal Al-Otaibi

Vice Chairman of the Board

Nationality

- Saudi

Current Positions

- Head of Local Real Estate Investment Strategy, Public Investment Fund (PIF).

Previous Positions

- Senior Director, Head of Real Estate Asset Management, PIF.
- CEO, Alandalus Property Company.
- Head of Business Development, Alandalus Property Company.
- Director, Marketing and Business Development, Alandalus Property Company
- Marketing Manager, Alandalus Property Company.
- Brand Manager, Almarai Company.
- Personal Banking Officer, Bank AlJazira.

Qualifications

- Master of Business Administration (MBA), Corporate Finance, King Saud University (KSU).
- Postgraduate Diploma, Marketing, University of Leicester.
- Bachelor's Degree, Marketing, King Fahd University of Petroleum and Minerals (KFUPM).

Experience

- Head of Local Real Estate Investment Strategy, Local Real Estate Investment sector, PIF. Board Member, Saudi Arabia Railways (SAR), Tamimi Markets Company. Board Member, Nomination and Remuneration Committee, King Abdullah Financial District Development and Management Company (KAFD).
- Previously: CEO, Alandalus Property Company. Board and Committee Memberships in: Dr. Sulaiman Al Habib Medical Group HMG (West Jeddah Hospital Company), SNB Capital (AlAhli REIT Fund 1), Sorouh El Marakez Company, and Modern Market Company.
- Holds Master of Business Administration (MBA), Corporate Finance, King Saud University (KSU). Postgraduate Diploma, Marketing, University of Leicester. Bachelor's Degree, Marketing, King Fahd University of Petroleum and Minerals (KFUPM).

Mohammed Musfir Al-Malki

Board Member

Nationality

- Saudi

Current Positions

- CEO, mdr Investment Company

Previous Positions

- Acting CEO, Small and Medium Enterprises Bank (SME Bank).
- Acting CEO, Saudi Venture Capital Company (SVC).
- Deputy Governor for Finance, Small and Medium Enterprises General Authority (Monsha'at).
- Founder and CEO, Natej Financial Consulting.
- CEO, KASB Capital.
- Head of Inspection Department, Capital Market Authority (CMA).
- Assistant General Manager, Samba Financial Group.
- Money Transfer Officer, Riyad Bank.

Qualifications

- Bachelor's Degree, Business Administration, Arab Open University (AOU).
- MBA, Alfaisal University.

Experience

- Over three decades of experience in the financial and investment sectors. Held senior leadership and executive roles across government, semi-government, and major financial institutions.
- Currently: CEO of mdr Investment Company, and Chairman/Member of several boards and committees, including Saudi Real Estate Company (Al Akaria) and other prominent investment entities.
- Previously: Deputy Governor for Finance at the General Authority for Small and Medium Enterprises (Monsha'at); Acting CEO of the SME Bank and the Saudi Venture Capital Company (SVC). Earlier career roles include the Capital Market Authority (CMA), Samba Financial Group, and Riyad Bank.
- Led the establishment of major financial institutions and managed large-scale investment portfolios, including overseeing real estate developments across the Kingdom. Extensive expertise in Corporate Governance, Risk Management, and Business Development, with a strong track record of aligning private and public sector initiatives with Saudi Vision 2030 programs.

Mohammed Saud Al Essa

Board Member

Nationality

- Saudi

Current Positions

- Chief Compliance and Anti-Financial Crime Officer, STC Bank.

Previous Positions

- Chief Compliance Officer (CCO), Riyad Bank.
- SVP, Corporate Credit Management, Riyad Bank.
- Head of Credit, Alawwal Bank (formerly Saudi Hollandi Bank).
- Corporate Relationship Manager, Gulf International Bank (GIB).
- Credit Risk Officer, Samba Financial Group.

Qualifications

- Bachelor's Degree, Economics, King Saud University (KSU).

Experience

- Over 20 years of experience in compliance, financial crime prevention, and risk and credit management across major banks and financial institutions.
- Currently: Chief Compliance and Anti-Financial Crime Officer, STC Bank. Previously: CCO, Riyad Bank. Held leadershiproles in: credit and risk management, Riyad Bank, Alawwal Bank, Samba Financial Group.
- Held memberships of Audit and Risk Committees in a number of entities. Bachelor's Degree, economics, KSU.

Saud Abdullatif Al Sheikh

Board Member

Nationality

- Saudi

Current Positions

- Senior Director and Advisor to the Head of the General Department, Local Real Estate Investments, PIF.

Previous Positions

- Advisor to the Minister of Finance, Ministry of Finance.
- Acting Department Manager, Saudi Industrial Development Fund (SIDF).
- Credit Team Leader, SIDF.
- Credit Advisor, SIDF.
- Senior Credit Analyst, SIDF.
- Credit Analyst, SIDF.
- Assistant Credit Analyst, SIDF.

Qualifications

- Master's Degree, Finance, Imperial College London.
- Bachelor's Degree, Industrial and Systems Engineering, KFUPM.

Experience

- Senior Director and Advisor to the Head of the General Department for Local Real Estate Investments, PIF, with extensive experience in investment, credit, and corporate finance.
- Previously: Advisor to the Minister of Finance, Ministry of Finance. Held leadership and executive roles at SIDF: Acting Director, Credit Team Leader, Assistant Credit Analyst, Senior Credit Analyst.
- Deep expertise in: credit management, investment assessment, and supporting decision-makers at both executive and strategic levels.

Mohammed Farhan Nader

Board Member

Nationality

- Saudi

Current Positions

- Managing Partner and CEO, RSM Saudi Arabia (Allied Accountants), Member Firm of RSM Global Network.

Previous Positions

- Senior roles at "Big 4" international accounting firms: Deloitte, PwC, and KPMG.
- CFO, Waqf Sulaiman Alrajhi.

Qualifications

- Bachelor's Degree, Accounting, KSU.
- Accredited Valuer (Business Valuation), Technical and Vocational Training Corporation (TVTC).
- Certified Public Accountant (CPA), American Institute of Certified Public Accountants (AICPA), USA.
- Fellowship, Saudi Organization for Chartered and Professional Accountants (SOCPA).
- Master's Degree, Business Administration and Finance, Heriot-Watt University, UK.

Experience

- Extensive professional experience in finance, accounting, audit, and advisory, with a strong track record in executive leadership and serving on boards and audit committees across listed companies and semi-government entities. Currently: Managing Partner and CEO, RSM Saudi Arabia, where he leads the overall strategy, business growth, professional services oversight, and corporate governance.
- Master's Degree, financial management. A CPA, USA, SOCPA-certified, and accredited business valuation license. Previously: CFO, Sulaiman Alrajhi Holding. Other rules: Deloitte, PwC, and KPMG.
- Chairing audit committees at several entities, including Al Akaria. Holds board and committee memberships at listed companies and PIF-owned entities.

Khalil Abdulqader Al Nammari

Board Member

Nationality

- Saudi

Current Positions

- Executive Vice President (EVP), Strategic Planning and Business Development.

Previous Positions

- Director, Corporate Communications, SIDF.
- Director, Strategic Planning, SIDF.
- Advisor, Office of the Minister of Economy and Planning.
- Investment Associate, Saudi Aramco Energy Ventures.
- Business Development Manager, Saudi Aramco Entrepreneurship Center (Wa'ed).
- Credit Analyst, Treasury, Saudi Aramco.

Qualifications

- Bachelor of Science, Finance, Pennsylvania State University, USA, Minor in Economics and Engineering Entrepreneurship.
- MBA, Esade Business School.

Experience

- Over 17 years of experience in strategy, investment, and corporate development. Currently: EVP, Strategy, Communication, and Business Development. Official Spokesperson, SIDF, overseeing a number of strategic corporate functions and participates in executive, risk, and institutional transformation committees.
- Previously: senior leadership roles within SID, Advisor, Ministry of Economy and Planning, plus his professional experience at Saudi Aramco.
- MBA, a graduate of the Stanford Executive Program. Holds several board and committee memberships, including Al Akaria.

Omar Mohammad Najjar

Board Member

Nationality

- Saudi

Current Positions

- Deputy CEO, Mohammed bin Salman Foundation (MisK Foundation).

Previous Positions

- Executive Director, Emaar The Economic City (EEC).
- EVP, National Industrialization Company (Tasnee).
- CEO, Saudi Ground Services (SGS).

Qualifications

- Bachelor's Degree, Engineering, KFUPM.
- Master's Degree, Engineering, King Abdulaziz University (KAU).
- MBA, London Business School (LBS).

Experience

- Leadership experience across real estate development, industrial, and services sectors. Held senior executive roles in a number of major entities.

Moath Naeem Al Naeem

Board Member

Nationality

- **Saudi**

Current Positions

- **Co-Founder and Chief Investment Officer (CIO), Alpha Capital**

Previous Positions

- **Portfolio Manager, Real Estate Investments and Local Investments, Saudi Aramco.**

Qualifications

- **Bachelor's Degree, Financial Management and Operations, North Carolina State University, USA.**
- **Real Estate Management Program, Harvard Business School (HBS).**
- **Advanced Private Equity Programme, LBS.**
- **Global Leadership and Public Policy for the 21st Century, Harvard Kennedy School (HKS).**
- **MBA, Imperial College London.**

Experience

- **Over 15 years of professional experience in investment, portfolio management, real estate, and finance.**
- **Currently: Portfolio Manager, Local and Real Estate Investments, Saudi Aramco. Co-Founder and CIO, Alpha Capital.**
- **Extensive experience in establishing and managing investments, and serving on boards and investment and executive committees.**
- **Bachelor's Degree, finance and operations management. MBA, and advanced executive programs, Harvard and London Business Schools.**

Current and Previous Positions of Board Members inside or outside Saudi Arabia

Naif Saleh Al Hamdan

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
ARDARA Development Company	Closed Joint Stock Company	√		Board Member Executive Committee Member	√	
Emaar, The Economic City (EEC)	Listed Joint Stock Company	√		Board Member NRC Member Executive Committee Member	√	
Al Akaria	Listed Joint Stock Company	√		Chairman of the Board	√	
RUA Al Madinah Holding Company	Closed Joint Stock Company	√		Chairman of the Board	√	
RUA AlHaram AlMakki Company	Closed Joint Stock Company	√		Board Member NRC Chairman Executive Committee Member	√	
Al Balad Development Company	Closed Joint Stock Company	√		Board Member Executive Committee Member	√	
AlUla Development Company (UDC)	Closed Joint Stock Company	√		Board Member Chairman of the Executive Committee	√	
Red Sea Global (RSG)	Closed Joint Stock Company	√		NRC Member Corporate Governance Committee Member Land Committee Member	√	
Jeddah Central Development Company	Closed Joint Stock Company	√		Board Member NRC Chairman	√	
Destinations Development Company (DDC)	Closed Joint Stock Company	√		NRC Chairman	√	
Ports Development Company (PDC)	Closed Joint Stock Company	√		Board Member	√	
Cruise Saudi	Closed Joint Stock Company	√		Board Member	√	

Hathal Al-Otaibi

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Al Akaria	Listed Joint Stock Company	√		Board Member Chairman of the Executive Committee	√	
Tamimi Markets	Limited Liability Company (LLC)	√		Board Member	√	
King Abdullah Financial District Development and Management Company (KAFD DMC)	Closed Joint Stock Company	√		Board Member NRC Member	√	
Saudi Arabia Railways (SAR)	Closed Joint Stock Company	√		Board Member	√	

Mohammed Musfir Al-Malki

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Alanesoon Trading Company	Closed Joint Stock Company	√		Board Member		√
Yaqeen Capital	Closed Joint Stock Company	√		Board Member Investment Funds Committee Member		√
Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO)	Joint Stock Company	√		Board Member Audit Committee Member Executive Committee Member	√	
Al Akaria	Listed Joint Stock Company	√		Board Member NRC Member Chairman of the Governance, Risk and Compliance (GRC) Committee	√	
Quara Finance	Closed Joint Stock Company	√		Board Member	√	
Thakher Development Company	Closed Joint Stock Company	√		Board Member	√	
Raz Amwal	Closed Joint Stock Company	√		Board Member Audit Committee Member	√	
Oil Park Development Company (OPDC)	Closed Joint Stock Company	√		Audit Committee Member		

Mohammed Saud Al Essa

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Al Akaria	Listed Joint Stock Company	√		Board Member GRC Member	√	
Alessa Industries Company (AIC)	Closed Joint Stock Company	√		Board Member	√	

Saud Abdullatif Al Sheikh

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Saudi Egyptian Industrial Investment (SEII)	Joint Stock Company		√	Board Member	√	
Al Akaria	Listed Joint Stock Company	√		Board Member Executive Committee Member Audit Committee Member	√	

Mohammed Farhan Nader

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
United Electronics Company (Extra)	Listed Joint Stock Company	√		Audit Committee Member	√	
Sahara International Petrochemical Company (Sipchem)	Listed Joint Stock Company	√		Audit Committee Member	√	
Al Akaria	Listed Joint Stock Company	√		Board Member Chairman of the Audit Committee	√	
Sulaiman Alrajhi Holding	Investment Entity	√		Audit Committee Member	√	
Dan Company	Closed Joint Stock Company	√		Audit Committee Member	√	
PNU Endowment Company	Investment Endowment Entity	√		Board Member	√	
Al Madinah Heritage Company	Government Company	√		Audit Committee Member	√	
Bank Albilad	Listed Joint Stock Company	√		Audit Committee Member	√	
Adeera	Joint Stock Company	√		Audit Committee Member	√	

Khalil Abdulqader Al Nammari

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Al Akaria	Listed Joint Stock Company	√		Board Member NRC Member	√	
Saudi Gymnastics Federation	Sports Entity	√		Board Member	√	

Omar Mohammad Najjar

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Rassanah Capital	Closed Joint Stock Company	√		Board Member Audit Committee Member	√	
Jeddah Development Authority	Government Authority	√		NRC Member	√	
Middle East Paper Company (MEPCO)	Listed Joint Stock Company	√		NRC Member	√	
Remat Al-Riyadh Development Company	Development Company Affiliated with Riyadh Municipality	√		NRC Member	√	
Al Akaria	Listed Joint Stock Company	√		Board Member NRC Chairman	√	

Moath Naeem Al Naeem

Company Name	Legal Entity	Company Location		Position	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Al Akaria	Listed Joint Stock Company	√		Board Member Executive Committee Member	√	
Alpha Capital Company	Closed Joint Stock Company	√		Board Member Executive and Investment Committee Member		√
Naif Arab University for Security Sciences (NAUSS)	Educational Institution	√		Board Member Investment Committee Member		√
Masar AlNumou Finance (formerly Deutsche Gulf Finance)	Licensed Joint Stock Company	√		Board Member		√

Board Meetings for the Previous Term During 2025

Name	Position	First meeting (30 January 2025)	Attendance (%)
Naif Saleh Al Hamdan	Former Chairman of the Board	√	100 %
Fahad Abdulrahman Al Mojel	Vice Chairman of the Board	√	100 %
Mohammed Musfir Al-Malki	Former Board Member	√	100 %
Ibrahim Mohammed Al Alwan	Former Board Member	√	100 %
Faisal Farkad Al Khani	Former Board Member	√	100 %
Faisal Dhahir Al Enaze	Former Board Member	√	100 %
Hisham Hussain Al Khaldi	Former Board Member	√	100 %
Fahad Ibrahim Al Hammad	Former Board Member	√	100 %
Mohammed Abdullah Al Smari	Former Board Member	√	100 %

Board Meetings for the Current Term During 2025

Name	Position	Second 17 Feb	Third 18 Mar	Fourth 21 May	Fifth 29 Jun	Sixth 20 Aug	Seventh 15 Oct	Eighth 10 Nov	Ninth 24 Dec	Attendance (%)
Naif Saleh Al Hamdan	Chairman of the Board	√	√	√	√	√	√	√	√	100%
Hathal Al-Otaibi	Vice Chairman of the Board	X	√	√	√	X	√	√	X	63%
Mohammed Farhan Nader	Board Member	√	√	√	√	√	√	√	√	100%
Saud Abdullatif Al Sheikh	Board Member	√	√	√	√	√	√	√	√	100%
Omar Mohammad Najjar	Board Member	√	√	√	√	√	√	√	√	100%
Mohammed Musfir Al-Malki	Board Member	√	√	√	√	√	√	√	√	100%
Khalil Abdulqader Al Nammari	Board Member	√	√	√	√	X	√	√	√	88%
Moath Naeem Al Naeem	Board Member	√	√	√	√	√	√	√	√	100%
Mohammed Saud Al Essa	Board Member	√	√	√	√	√	X	√	√	88%

Board Committees

In a move reflecting a steadfast commitment to transparency and corporate accountability, the Company has finalized its governance framework by activating four specialized committees reporting to the Board of Directors. This step is more than a mere compliance with the Companies Law and applicable Corporate Governance Regulations; it is a cornerstone of the Company's strategy to ensure operational sustainability and effective oversight. Each committee consists of three to five members, a structure designed to ensure agility and a swift pace of work while maintaining the diverse expertise necessary to enrich strategic discussions.

25 June 2025 marked a pivotal milestone for the Company, as the General Assembly approved the charters for two of the most prominent board committees: the Audit Committee and the Nomination and Remuneration Committee (NRC). This approval further strengthens the Company's governance framework and ensures the alignment of management's interests with those of the shareholders.

1. Executive Committee

The Committee carries out its duties in accordance with the provisions of the Executive Committee Charter and all other relevant regulations and policies approved by the Company.

Key Duties and Responsibilities

1. Approving the information included in the Annual Report pertaining to the Committee's scope of work.
2. Requesting any clarification or statement from the Executive Management of the Company or its subsidiaries, and inviting any officials, relevant employees, auditors, or others to attend the Committee's meetings, as needed.
3. Reviewing the Company's operating activities, operational policies, and financial and operational powers, and submitting recommendations thereon to the Board for approval, within the Committee's scope of authority.
4. Reviewing the amendment to the Company's AoA pertaining to the Committee's scope of work.
5. Reviewing the activities and business of the Company's subsidiaries to monitor performance and regulate the relationship between them and the Company in general, without prejudice to the duties of those companies' respective boards.
6. Reviewing the authorities related to the committee's work before presenting the Delegation of Authority (DoA) matrix to the Board for approval.
7. Overseeing the preparation of the Company's estimated budget, reviewing proposals from Executive Management, and submitting recommendations to the Board for approval.
8. Monitoring and assessing the Company's current cash liquidity and its equivalents, and evaluating options for capital increases or borrowing to finance activities and projects.
9. Reviewing contractual terms and conditions and project awarding mechanisms to ensure a robust and effective oversight system for monitoring the Company's activities and the work assigned to subsidiaries.
10. Participating in and overseeing the development of the Company's strategic plan, evaluating proposals from Executive Management regarding vision, mission, strategic pillars, and financial and strategic goals, and submitting recommendations to the Board for approval after obtaining feedback from other board committees on relevant aspects.
11. Ensuring an appropriate mechanism is in place to enable the committee to review business reports from Executive Management for evaluation and follow-up purposes, whether on a monthly, semi-annual basis, or during each meeting.
12. Setting annual performance targets (KPIs) for the Chief Executive Officer (CEO) for submission to the Nomination and Remuneration Committee (NRC) for review prior to Board approval.
13. Providing advice and counsel to the Board and its various committees on practices relevant to the committee's work.
14. Reviewing the performance of the Company's projects and request clarification regarding variances in approved costs, estimated completion dates, and project scope compared to original approved standards.
15. Reviewing mergers, acquisitions, agreements, and divestments in accordance with approved strategies, business plans, and long-term financial plans, and providing recommendations to the Board.
16. Monitoring the Company's performance to ensure no deviations from budgets, understanding plans and strategies, and, where necessary, directing Management to take specific actions to better align performance with set goals.

Executive Committee Members

Name	Position	Membership Status
Hathal Al-Otaibi	Chairman	Board Member
Saud Abdullatif Al Sheikh	Member	Board Member
Moath Naeem Al Naeem	Member	Board Member
Badr Mohammed Al Dwaian	Member	Non-Board Member

Biographies of Non-Board Executive Committee Members

Badr Mohammed Al Dwaian

Non-Board Member

Nationality

- Saudi

Current Positions

- Director, Investment Management Division (Central and Eastern Regions), PIF

Previous Positions

- Executive Director, Fund Development, Planning and Supervision, National Development Fund (NDF).
- Private Sector Specialist, International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA), World Bank Group (WBG), USA.
- Division Manager, Credit Department, SIDF

Qualifications

- Master's Degree, Corporate Finance, Queen Mary University of London, UK
- Bachelor's Degree, Finance, Prince Sultan University

Experience

- Over 15 years in investment, finance, credit management, and development fund structuring.
- Currently: Director, Investment Management, Central and Eastern Regions, PIF. Held several leadership roles: NDF, SIDF, alongside international experience with WBG.
- Master's Degree, Corporate Finance, Queen Mary University of London. Member of Executive Committee and Nomination and Remuneration committees across a number of entities.

Executive Committee Meetings - Previous Term (2025)

Name	Position	First Meeting 19 Jan	Attendance (%)
Faisal Dhahir Al Enaze	Committee Chairman	√	100%
Fahad Abdulrahman Al Mojel	Member	√	100%
Fahad Ibrahim Al Hammad	Member	√	100%
Faisal Farkad Al Khani	Member	√	100%

Executive Committee Meetings - Current Term (2025)

Name	Position	Second 23 Apr	Third 19 May	Fourth 3 Jul	Fifth 9 Jul	Sixth 6 Aug	Seventh 3 Sep	Eighth 8 Oct	Ninth 14 Oct	Tenth 15 Dec	Eleventh 17 Dec	Attendance (%)
Hathal Al-Otaibi	Committee Chairman	√	√	√	√	√	√	√	√	√	√	100%
Saud Abdullatif Al Sheikh	Member	√	√	√	√	√	√	√	√	√	√	100%
Moath Naeem Al Naeem	Member	√	√	√	√	√	√	√	√	√	√	100%
Badr Mohammed Al Dwaian	Member	√	√	√	√	√	√	√	√	√	√	100%

2. Nomination and Remuneration Committee (NRC)

The Committee performs its duties and fulfills its responsibilities in accordance with the provisions of the NRC Charter and all other relevant regulations and policies approved by the Company.

Duties and Responsibilities

First: General Responsibilities

1. Reviewing data included in the Annual Report that pertains to the CommitWtee's scope of work.
2. Reviewing amendments to the Company's AoA related to the Committee's field of competence.
3. Reviewing authorities related to the Committee's functions before presenting the DoA matrix to the Board for approval.
4. Reviewing the structure of the Board of Directors, Executive Management, and the Company's organizational structure, and providing recommendations regarding potential changes.
5. Providing advice and counsel to the Board of Directors and its various committees on practices relevant to the Committee's work.

Second: Nominations

1. Suggesting clear policies and standards for membership of the Board and the Executive Management.
2. Providing recommendations to the Board and its committees for the nomination or renomination of their members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
3. Providing recommendations to the Board for the appointment of the Company's representatives in subsidiaries and companies where Al Akaria has the authority to appoint representatives.
4. Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions.
5. Determining the time that the Member must allocate to the activities of the Board and its committees.
6. Annually reviewing the skills and experience required for membership on the Board of Directors, its committees, and Executive Management positions.
7. Verifying, on an annual basis, the independence of the independent members, and the absence of any impediments to independence or conflicts of interest, in case the Member serves on the board of another company.
8. Defining job descriptions for executive directors, non-executive directors, independent directors, and Executive Management.
9. Setting procedures to be followed in the event of a vacancy in the position of any Board Member or the Executive Management.
10. Determining the strengths and weaknesses of the Board and recommending remedy solutions that serve the Company's interests.
11. Recommending to the Board of Directors the appointment/termination of the Chief Executive Officer (CEO), and approving the appointment/termination of the remaining Executive Management. This excludes the Head of Governance, Risk, and Compliance (GRC) and the Head of Internal Audit.
12. Defining the key components of the orientation program for Board and committee members and ensuring that the orientation program is provided to new members immediately upon the formation of the Board/Committees or the appointment of new members.
13. Submitting recommendations to the Board of Directors regarding succession plans, encompassing the succession of Board members, committees, and Executive Management, along with periodically reviewing the adequacy of the Company's succession procedures.

Third: Evaluation and Training

1. Proposing mechanisms for evaluating the performance of the Board of Directors and its committees and submitting recommendations regarding these mechanisms to the Board for approval.
2. Managing the annual performance evaluation process of the Board, its members, and its committees, based on the evaluation criteria approved by the Company.
3. Developing training plans for the Board of Directors and its committees and encouraging their participation in relevant courses and seminars to enhance members' skills related to the Company's business.
4. Reviewing the annual performance objectives (Key Performance Indicators "KPIs") of the Managing Director and/or the CEO, and the Executive Management, and their evaluation results.

Fourth: Remuneration

1. Developing a clear policy for the remuneration of the Board members and the members of the Board Committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards linked to performance, and disclosing and ensuring the implementation of such policy.
2. Ensuring that the awarded remuneration is in line with the approved remuneration policy, and reporting any material deviations from this policy to the Board.
3. Providing recommendations to the Board of Directors in respect of the remuneration of Board members and the members of the Board committees, in accordance with the approved policy and based on the recommendation of the relevant Board committees, each within its respective mandate.
4. Providing recommendations to the Board of Directors in respect of the remunerations of the Company's Executive Management, in accordance with the approved policy and based on the recommendation of the relevant Board committees, each within its respective mandate.
5. Providing recommendations to the Board of Directors regarding the salary scales, remuneration, and benefits (fixed and variable), and related policies for Executive Management and employees.
6. Providing support to the Board of Directors and committees in the process of determining the remuneration of the Board Secretary.

NRC Members

Name	Position	Membership Type
Omar Mohammad Najjar	Chairman	Board Member
Mohammed Musfir Al-Malki	Member	Board Member
Khalil Abdulqader Al Nammari	Member	Board Member
Reem Abdulrahman Al-Rehaili	Member	Non-Board Member

Biographies of the NRC Non-Board Members

Reem Abdulrahman Al-Rehaili

NRC Non-Board Member

Nationality

- Saudi

Current Positions

- Chief Corporate Services Officer (CCSO), Ardara.

Previous Positions

- EVP, Human Capital and EXPRO Academy, Expenditure and Projects Efficiency Authority (EXPRO).
- Human Capital Director, Mashroat (National Program to Support the Management of Projects).
- Organizational Development Manager, PepsiCo.
- Learning and Development Manager, Al Safi Danone.
- Translator, United Nations (UN).

Qualifications

- Executive Master's, Big Data and Business Analytics, ESCP Business School.
- Bachelor's Degree, Translation (English), Prince Sultan University.

Experience

- Over 15 years of leadership experience in corporate services, human capital, and organizational transformation.
- Currently: Chief Corporate Services Officer (CCSO) at Ardara, where she leads strategic functions including Digital Transformation, Procurement, Human Capital Management, Corporate Communications, and Asset & Facility Management.
- Having extensive expertise in designing and implementing organizational transformation initiatives, building advanced talent management strategies, and enhancing the employee experience. Proven track record in driving institutional performance, fostering a culture of innovation, and aligning human resources strategies with corporate objectives to achieve sustainable growth. Supported by professional certifications in leadership and strategy from leading global institutions, with a focus on institutional excellence and operational efficiency.

NRC Meetings in 2025

Name	Position	First 3 Mar	Second 10 Mar	Third 08 Apr	Fourth 08 May	Fifth 26 Jun	Sixth 07 Jul	Seventh 18 Aug	Eighth 29 Sep	Ninth 25 Nov	Tenth 18 Dec	Eleventh 21 Dec	Attendance (%)
Omar Mohammad Najjar	Committee Chairman	√	√	√	√	√	√	√	√	√	√	√	100%
Mohammed Musfir Al-Malki	Member	√	√	√	√	√	√	√	√	√	√	√	100%
Khalil Abdulqader Al Nammari	Member	√	√	√	√	√	√	×	√	√	√	√	91%
Reem Abdulrahman Al-Rehaili*	Member	Membership not yet commenced.				√	√	√	√	√	X	√	71%

* Appointed to the committee by resolution dated 21 May 2025.

3. Audit Committee

The Committee performs its duties and responsibilities in accordance with the provisions of the Audit Committee Charter and all other relevant regulations and policies approved by the Company.

Duties and Responsibilities

First: General Responsibilities

1. Approving data included in the Annual Report that pertains to the Committee's scope of work.
2. Reviewing any amendments to the organizational structure of the Internal Audit Department, and submitting recommendations to the Board for approval; and approving any amendments below department level.
3. Approving KPIs for the Internal Audit Department and the Head of Internal Audit.
4. Approving the job description of the Head of Internal Audit.
5. Reviewing amendments to the Company's AoA related to the Committee's scope and submitting recommendations to the Board for General Assembly approval.
6. Reviewing the authorities related to the Committee's scope of work prior to presenting the DoA matrix to the Board for approval.
7. Reviewing the Internal Audit Department's budget before its inclusion in the Company's estimated budget for Board approval.
8. Recommending the appointment of the Head of Internal Audit, coordinating with the NRC, proposing their salary, benefits, and remuneration, evaluating their performance, and recommending dismissal when necessary.
9. Requesting the Board to convene the General Assembly if the Board obstructs the Audit Committee's work or if the Company sustains substantial harm or significant losses.
10. Establishing strategic objectives and supervisory planning for the Internal Audit Department commensurate with the Company's nature and scale, ensuring implementation and updates based on internal and external changes.
11. Reviewing Internal Audit policies before Board approval; and approving departmental procedures while monitoring their implementation.
12. Ensuring the availability of adequate resources and systems to activate and achieve the Internal Audit Department's objectives.
13. Obtaining necessary assurances from audit committees of wholly-owned or controlled subsidiaries regarding the effectiveness and integrity of internal control systems, in compliance with applicable laws and partners' agreements.
14. The Audit Committee may nominate members for the audit committees of wholly-owned or controlled subsidiaries to the Board of Directors, acting as a shareholder or owner, in accordance with those companies' AoAs and Articles of Incorporation.
15. Ensuring the independence of Internal Audit staff from activities that might compromise the effectiveness of the Internal Audit Department's oversight role within the Company.
16. Establishing a "Whistleblowing" mechanism or a policy that allows employees to confidentially report concerns regarding financial reporting irregularities or other violations; the Audit Committee shall oversee the implementation of this mechanism by conducting independent investigations proportionate to the scale of the error and adopting appropriate follow-up procedures.
17. Reviewing findings from regulatory authority reports and ensuring the Company has taken the necessary corrective actions.
18. Reviewing proposed related-party contracts and transactions, identifying potential conflicts of interest (if any), and submitting recommendations to the Board.
19. Escalating matters deemed requiring urgent action to the Board of Directors, alongside recommendations for the necessary measures to be taken.
20. Providing expert advice and counsel to the Board and its various committees regarding best practices relevant to the Audit Committee's scope.

Second: Financial Statement

1. Reviewing the Company's interim and annual financial statements prior to submission to the Board of Directors, providing opinions and recommendations to ensure their integrity, fairness, and transparency.
2. Providing a technical opinion, upon the Board's request, on whether the Board Report and the Company's financial statements are fair, balanced, and understandable, and whether they include the information necessary for shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Examining any significant or unusual matters included in the financial statements.
4. Thoroughly investigating issues raised by the CFO (or acting equivalent), the Chief Compliance Officer (CCO), or the External Auditor.
5. Verifying material accounting estimates reflected in the financial statements.
6. Reviewing the accounting policies adopted by the Company and providing opinions and recommendations to the Board in this regard.
7. Ensuring the availability of internal controls related to the integrity and transparency of the Company's financial records and statements.

Third: Control Environment and Internal Audit

1. Verifying that Al Akaria maintains an effective internal control environment.
2. Ensuring the existence of controls designed to detect and prevent financial fraud to safeguard the Company's funds and assets from fraud or unauthorized exploitation; the Committee is also responsible for ensuring adequate mechanisms exist to allow all employees to report suspicious behavior/activities according to the approved Whistleblowing Policy.
3. Studying and reviewing the Company's internal and financial control systems and ensuring their effectiveness through periodic reports from the Internal Audit Department or other relevant departments regarding the efficiency of internal control and risk management systems.
4. Ensuring the efficiency and comprehensiveness of current systems and procedures for identifying, measuring, and managing the Company's financial and non-financial risks.
5. Reviewing internal audit reports, external auditor reports, and reports submitted to senior management regarding the efficiency of the control environment and risk management, while following up on the implementation of corrective actions for any noted observations.
6. Approving annual internal audit plans and monitoring implementation.
7. Monitoring and supervising the performance and activities of the internal auditor and the Internal Audit Department to verify the availability and effectiveness of necessary resources; ensuring departmental efficiency by verifying the existence of a Quality Assurance and Improvement Program (QAIP) and discussing results with the department head, including any non-compliance with the definition of Internal Auditing, the Code of Ethics, or International Standards for the Professional Practice of Internal Auditing.
8. Ensuring the independence of the Internal Audit Department to enable it to perform its duties effectively.
9. Providing recommendations to the Board regarding the scope of the Internal Audit report submitted to the Board.
10. Proposing emergency audit engagements or special investigations into any controls, deficiencies, or errors as deemed necessary by the Committee.

Fourth: External Auditor

1. Recommending to the Board of Directors the nomination, dismissal, remuneration, and performance evaluation of the External Auditor, after verifying their independence and reviewing their scope of work and contractual terms.
2. Ensuring that all necessary support is provided to the External Auditor to fulfill their responsibilities in a timely manner; this includes, for example, providing all required data and documents as per established rules, ensuring staff cooperation, and providing direct communication channels with the Audit Committee and the Board.
3. Meeting with the External Auditor before the audit begins to define the scope of work and identify key focus areas, accounts, and accounting treatments the Committee wishes to emphasize.
4. Verifying the independence, objectivity, and fairness of the External Auditor and the effectiveness of the audit process, while taking into account relevant rules and standards.
5. Reviewing the External Auditor's plan and activities, verifying that they do not provide technical, administrative, or advisory services outside the scope of audit work, and providing feedback accordingly.
6. Responding to the External Auditor's inquiries.
7. Examining the External Auditor's report and observations on the financial statements and monitoring the actions taken in response.
8. Following up on previous audit observations and the corrective measures taken; identifying any unfulfilled recommendations, determining the reasons for non-implementation, and setting a timeline to ensure their execution.

Audit Committee Members

Name	Position	Membership Type
Mohammed Farhan Nader	Chairman	Board Member
Saud Abdullatif Al Sheikh	Member	Board Member
Mohammed Omar Aloyaidi	Member	Non-Board Member
Abdulrahman Abdulaziz Balghunaim	Member	Non-Board Member

Biographies of Non-Board Audit Committee Members

Mohammed Omar Aloyaidi

Audit Committee Non-Board Member

Nationality

- Saudi

Current Positions

- Partner, Aloyaidi and Alsaloum CPAs.

Previous Positions

- Executive Director, Risk Consulting, KPMG Saudi Arabia.
- Head of Cycle Inspection, Capital Market Authority (CMA).
- Internal Auditor, World Bank Group.
- Auditor, Ernst & Young (EY).

Qualifications

- Bachelor's Degree, Accounting.
- MBA, Finance.
- Certified Public Accountant (CPA), USA.
- Licensed Chartered Accountant (SOCPA).
- Licensed Bankruptcy Trustee and Expert.

Experience

- Extensive experience across accounting and auditing domains.

Abdulrahman Abdulaziz Balghunaim

Audit Committee Non-Board Member

Nationality

- Saudi

Current Positions

- Executive Consultant, Ministry of Communications and Information Technology (MCIT).

Previous Positions

- General Manager, Internal Audit, Takamol Holding.
- Director, Internal Audit, Saudi Contractors Authority (SCA).
- Head, Special Assignments (Fraud Investigation), Sadara Chemical Company.
- Supervisor, Internal Audit, Saudi Readymix Concrete Company (Al Turki Holding).
- Senior Associate, Audit and Advisory, KPMG Al Fozan & Al Sadhan.

Qualifications

- Leadership Development Program, Harvard Business School (HBS).
- Ministerial Development Program, INSEAD Business School.
- Internal Audit Leadership Program, Harvard Business School (HBS).
- Bachelor's Degree, Accounting, King Fahd University of Petroleum and Minerals (KFUPM).

Experience

- Over 20 years of experience in internal audit and risk management, complemented by his extensive service as a Member of various Audit Committees.

Audit Committee Meetings - Previous Term (2025)

Name	Position	23/01/2025	Attendance (%)
Mohammed Abdullah Al Smari	Committee Chairman	√	100%
Faisal Farkad Al Khani	Member	√	100%
Mohammed Omar Aloyaidi	Member	√	100%
Abdulaziz Mohammed Al Babtain	Member	√	100%

Audit Committee Meetings - Current Term (2025)

Name	Position	Second 6 Mar 2025	Third 14 May 2025	Fourth 6 Aug 2025	Fifth 9 Nov 2025	Attendance (%)
Mohammed Farhan Nader	Committee Chairman	√	√	√	√	100%
Saud Abdullatif Al Sheikh	Member	√	√	√	√	100%
Mohammed Omar Aloyaidi	Member	√	√	√	√	100%
Abdulrahman Abdulaziz Balghunaim	Member	√	√	√	√	100%

4. Governance, Risk and Compliance (GRC) Committee

The Committee performs its duties in line with the GRC Committee Charter, as well as all other relevant regulations and policies approved by the Company.

Duties and Responsibilities

First: General Duties and Responsibilities

1. Overseeing the development of strategic objectives and the oversight planning for the GRC functions in line with the nature and scale of Al Akaria's activities; and ensuring their implementation, review, and updates based on the Company's internal and external variables.
2. Reviewing amendments to the Company's AoA, after obtaining consultations from the other Board's committees, and submitting recommendations to the Board prior to approval by the General Assembly.
3. Reviewing authorities related to the Committee's scope prior to submitting the DoA matrix to the Board for approval.
4. Ensuring policies and procedures for GRC functions are in place and monitoring implementation.
5. Seeking assistance from experts and specialists from within or outside the Company within its scope of authority, provided this is documented in the meeting minutes, including the expert's name and their relationship with the Company or Executive Management.
6. Approving the information to be included in the Annual Report pertaining to the Committee's scope of work.
7. Reviewing any amendments to the organizational structure of the GRC sector and its affiliated departments and submitting recommendations regarding them to the Board for approval; and approving any structural amendments below the departmental level.
8. Approving the GRC sector's objectives, KPIs, and annual plan.
9. Approving the job description of the Head of GRC.
10. Approving the appointment of the Head of GRC.
11. Approving the performance evaluation and promotion of the Head of GRC, notifying the NRC, and submitting recommendations regarding their remunerations to the Committee for Board approval.
12. Approving the performance evaluations, promotions, and remunerations for the heads of the GRC departments.
13. Reviewing the budget of the GRC sector before including it in the Company's estimated budget for Board approval.
14. Ensuring the availability of adequate resources and systems to enable and achieve the objectives of the GRC functions.
15. Communicating and cooperating with the Audit Committee to integrate the assessment of the Company's internal control and risk management framework to enhance collaboration among oversight functions.
16. Overseeing the development of a governance framework for the relationship with subsidiaries, encompassing operational, oversight, and supervisory aspects.
17. Ensuring the independence of GRC staff from activities that might affect the effectiveness of their oversight roles within the Company.
18. Approving training and development plans for GRC department employees.
19. Reviewing and providing opinions on matters within the Committee's scope related to any new products, services, or investments the Company intends to launch.
20. Overseeing programs and activities aimed at raising awareness and training employees regarding GRC practices, including the principles of professional conduct and ethical values.
21. Providing advice and counsel to the Board of Directors and its various committees on practices relevant to the Committee's work.
22. Consulting with Board Committees and obtaining their consultation on matters related to their scope of work.
23. Reviewing matters raised by the Audit Committee that may impact the GRC sector.

Second: Governance

1. Overseeing the development of the Company's corporate governance framework and any subsequent amendments thereto, in accordance with applicable regulatory and oversight requirements and leading governance practices, encompassing all governance components at both the Board and organizational levels.
2. Ensuring that the approved governance policies and regulations are transparent and clear to facilitate decision-making, achieve the principles of good governance and sound management, and ensure a clear definition of authorities and powers.
3. Monitoring the effective application of the general governance framework through the activities of the relevant oversight departments (Governance, Compliance, Risk Management, and Cybersecurity) and reviewing reports submitted to the Committee regarding the implementation and effectiveness of the framework.
4. Reviewing the Company's DoA matrix and submitting recommendations for Board approval.
5. Approving the Company's Data Governance Framework prepared by the Governance Department and continuously monitoring its implementation efficiency.
6. Reviewing and developing the Code of Professional Conduct representing the Company's values, along with other internal policies and procedures related to governance practices to meet the Company's needs and align with best practices.
7. Ensuring that Board members are kept informed of the latest developments and best practices in corporate governance.

Third: Risk Management

1. Defining and maintaining the Company's risk appetite; periodically monitoring risk levels to ensure they remain within established limits, and providing relevant recommendations to the Board. This includes the continuous review of risks, particularly emerging risks or those with a material impact on the Company's operations.
2. Overseeing the Company's risk management system and assessing the effectiveness of frameworks and mechanisms for identifying, measuring, and monitoring potential risks to address any deficiencies.
3. Reviewing risk reports and ensuring that effective risk mitigation and management plans are in place.
4. Overseeing the periodic identification and measurement of Key Risk Indicators (KRIs), ensuring they are updated to cover major risks within the risk register, and periodically reassessing the Company's risk appetite.
5. Conducting an annual assessment of the Company's business strategies and plans from a risk perspective; discussing risk assessment and management policies, and reviewing the measures taken by Management to monitor and control various risk exposures.

Fourth: Compliance

1. Ensuring the development of policies and procedures that guarantee the Company's compliance with rules and regulations, as well as the disclosure of material information to shareholders and other stakeholders, while monitoring ongoing compliance.
2. Ensuring the adherence of the Company and its employees to business integrity and Islamic principles.
3. Overseeing the effectiveness of the process of preparing regulatory reports required to be submitted to the relevant authorities regarding compliance with relevant laws and legislations, ensuring their timely submission in accordance with precisely defined deadlines.
4. Reviewing procedures related to non-compliance risks established to effectively anticipate and manage the impact of regulatory changes on the Company's operations.
5. Managing periodic reviews of the disclosure register and ensuring its completeness.
6. Reviewing observations and findings in regulatory reports and verifying that necessary corrective actions are taken in cases of non-compliance.
7. Reviewing the Company's compliance status and the results of periodic assessments conducted by Compliance Department across the Company's activities, by evaluating reports submitted to the Committee, and following up on the observations contained therein.
8. Approving the compliance monitoring program and periodically tracking its implementation by the Compliance Department.

Fifth: Environmental, Social and Governance (ESG) Practices

1. Ensuring the establishment of a comprehensive ESG framework, which includes, but is not limited to, the ESG strategy, related policies, mechanisms for evaluating the effectiveness of applied practices, and disclosure protocols.

GRC Committee Members

Name	Position	Membership Nature
Mohammed Musfir Al-Malki	Chairman	Board Member
Mohammed Saud Al Essa	Member	Board Member
Khalid Mohammed Alkharashi	Member	Non-Board Member
Mona Abdulrahman Alshaghaa	Member	Non-Board Member

Biographies of Non-Board GRC Committee Members

Khalid Mohammed Alkharashi

Nationality

- Saudi

Current Positions

- Head, GRC, Board Secretariat, Qiddiya Investment Company.

Previous Positions

- Chief Legal and Regulatory Affairs, Saudi Arabian Mining Company (Ma'aden).
- Legal and Compliance Affairs, General Organization for Social Insurance (GOSI).
- Retail Banking, Riyad Bank.

Qualifications

- Master of Laws (LLM), International Business Law, University of Hull, UK.
- Bachelor of Laws (LLB), King Saud University (KSU), Riyadh, Saudi Arabia.

Experience

- Diverse expertise in legal affairs, compliance, corporate governance, risk management, board secretariat, and CMA rules and regulations. Banking background with a specialized legal academic foundation (LLM).

Appointment Date

- 6 Mar 2024

Mona Abdulrahman Alshaghaa

Nationality

- Saudi

Current Positions

- 2013-Present: Head, Internal Governance, Compliance Group, Bank Aljazira.
- Member, Audit Committee, National Interactive Entertainment Company (QISS).
- Member, Audit Committee, Saudi Post and Logistics Services Company (SPL).

Previous Positions

- 2008–2013: Internal Audit Manager, CMA.
- 2006–2008: Senior Officer, Treasury Operations, Olayan Financing Company (OFC).
- 1998–2006: Held several positions in Samba Financial Group SJSC.
- 1996–1998: Saudi British Bank (SAB)

Qualifications

- Diploma in Banking Operations

Experience

- Over 25 years of experience in the financial sector, covering product management, governance, compliance, risk management, treasury operations, and internal audit, as well as handling Board and Committee-level matters.

Appointment Date

- 6 Mar 2024

GRC Committee Meetings - Previous Term (2025)

Name	Position	First Meeting 22 Jan	Attendance (%)
Mohammed Musfir Al-Malki	Committee Chairman	√	100%
Khalid Mohammed Alkharashi	Member	√	100%
Mona Abdulrahman Alshaghaa	Member	√	100%

GRC Committee Meetings - Current Term (2025)

Name	Position	Second 12 Mar	Third 7 May	Fourth 29 May	Fifth 4 Aug	Sixth 12 October	Seventh 9 Nov 2025	Eighth 23 Dec 2025	Attendance (%)
Mohammed Musfir Al-Malki	Committee Chairman	√	√	√	√	√	√	√	100%
Mohammed Saud Al Essa	Member	√	√	√	√	√	√	√	100%
Khalid Mohammed Alkharashi	Member	Membership not yet commenced.	√	√	√	√	√	√	100%
Mona Abdulrahman Alshaghaa	Member	√	√	√	√	√	√	√	100%

Executive Management

Name	Position
Khalid Ali Al-Suhaibani	Acting CEO, Executive Chief Commercial Officer (CCO)
Fahd Ayed Al-Aslami	Executive Chief Financial Officer (CFO)
Mohammed Sari Anabtawi	Executive Chief Investment Officer (CIO)
Abdulmuhsin Al Bakr	Executive Chief Development Officer (CDO)
Mohammed Maghaireh	Executive Chief Strategy Officer (CSO)
Abdulaziz Ibrahim Al Hailan	Executive Chief GRC Officer, Cybersecurity Officer, and Board Secretary
Abdullah Alfahhad	Executive Chief Corporate Support Officer (CCSO)
Ali Alsagaby	Executive Chief Internal Audit Officer

Executive Management Biographies

Khalid Ali Al-Suhaibani

Acting CEO, and Executive CCO

Nationality

- Saudi

Current Positions

- August 2024-Present: Acting CEO, Al Akaria.
- December 2020-Present: Executive CCO, Al Akaria.

Previous Positions

- 2020–2023: Board Member, Mulkia-Gulf Real Estate REIT Fund.
- 2012–2020: General Manager – Hamat Holding.
- 2010–2011: Manager, Commercial Centers, Mohammed Al Habib Real Estate Company.
- 2005–2009: Manager, Leasing, Mohammed Al Habib Real Estate Company.
- 2002–2005: Manager, Leasing and Marketing, GOSI.

Qualifications

- 1997: Bachelor's Degree, Economics and Management, KSU.
- 2000: MBA, De Montfort University, UK.

Experience

- 23 years of experience in the commercial centers sector.

Fahd Ayed Al-Aslami

Executive CFO

Nationality

- Saudi

Current Positions

- April, 2021-Present: Executive CFO, Al Akaria
- Board Member, Mouwasat Medical Services Co. (Mouwasat).
- Board Member, Dar Al Tamleek Company

Previous Positions

- 2022–2025: Chairman, Al Widyan Saudi Real Estate Co.
- 2022–2023: Board Member, SEDCO Capital REIT Fund.
- 2017–2021: CFO, National Housing Company (NHC).
- 2014–2017: CFO, Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO).
- 2012–2014: Manager, Accounting Department, Ma'aden Aluminium Company.
- 2011–2012: Manager, Accounting Services, Saudi Aramco Total Refining and Petrochemical Company (SATORP).
- 2000–2011: Project Manager, Financial Specialist, Accountant, Saudi Telecom Company (STC).
- Member, Board of Trustees, Developmental Housing Foundation (Sakan).

Qualifications

- 2000: Bachelor's Degree, Accounting, Imam Mohammad Ibn Saud Islamic University (IMSIU).
- 2009: SOCPA Fellowship, SOCPA.
- 2010: Fellowship, Certified Management Accountant (CMA), Institute of Management Accountants (IMA).
- 2010: Executive Diploma in Islamic Finance, Open University Malaysia (OUM), Bahrain.
- 2011: MBA, Open University Malaysia (OUM), Bahrain.
- Chartered Financial Analyst (CFA), CFA Institute.

Mohammed Sari Anabtawi

Executive CIO

Nationality

- Jordanian

Current Positions

- May 2019-Present: Executive CIO, Al Akaria

Qualifications

- 2015–2019: Head, Investment, AlOula Real Estate Company.
- 2013–2018: Executive Director, Real Estate Valuation and advisory, Colliers International.
- 2013–2015: Senior Director, Financial and Banking Solutions, Swicorp.
- 2004–2008: Business Analyst, Management Consultant, Ernst and Young (EY).

Qualifications

- Bachelor's Degree, Accounting, Al-Ahliyya Amman University (AAU).
- 2004: Master's Degree, Finance and Management, University of Exeter, UK.

Abdulmuhsin Al Bakr

Executive CDO

Nationality

- Saudi

Current Positions

- June 2025-Present: Executive CDO, Al Akaria.

Previous Positions

- Executive CDO, Umm Al Qura for Development and Construction Company.
- General Manager, Facilities and Administrative Affairs, Etihad Etisalat (Mobily).
- Project Development Manager, Raidah Investment Company (RIC).
- Board Member, Umm Al Qura Development and Construction Company.

Qualifications

- 2004: Bachelor's Degree, Mechanical Engineering, KSU.
- 2018: Executive Leadership Development Program, Esade Business School, Spain.
- 2023: Educational Leadership and Management Program, London Business School (LBS).

Experience

- Over 20 years of extensive experience in construction management and operations for mega-projects.

Mohammed Maghaireh

Executive CSO

Nationality

- Jordanian

Current Positions

- 2022-Present: Executive CSO, Al Akaria

Previous Positions

- Head, Investment and Strategy, Advanced Communications and Electronics Systems (ACES).
- CSO, Alkhorayef Group.
- CSO, Suleiman Al Rajhi Real Estate.
- Director, Strategic Management Office (SMO), Almajdouie Holding.

Qualifications

- Bachelor's Degree, Computer Engineering, Arab Academy for Science, Technology and Maritime Transport, Egypt.
- Master's Degree, Industrial Engineering and Management, Loughborough University, UK.

Abdulaziz Ibrahim Al Hailan

Executive Chief GRC Officer, Cybersecurity Officer, and Board Secretary

Nationality

- Saudi

Current Positions

- March 2023-Present: Executive Chief GRC Officer, Cybersecurity Officer, Al Akaria
- March 2023-Present: Board Secretary, Al Akaria

Previous Positions

- Acting Head, Internal Audit, Al Akaria.
- Secretary General, Intellectual Property Committees, Board Secretary, Saudi Authority for Intellectual Property (SAIP).
- Member, Patent Committee, General Secretariat of the Gulf Cooperation Council – GCC.
- Member, Copyright Committee.
- Member of several government entities focused on governance and oversight.

Qualifications

- Master of Laws (LLM), USA.
- Bachelor's Degree, Sharia, IMSIU.

Abdullah Alfahhad

Executive CCSO

Nationality

- Saudi

Current Positions

- January 2023-Present: Executive CCSO, Al Akaria

Previous Positions

- Head, Human Resources, Cenomi.
- Head, Human Resources, a PIF company.
- Acting Manager, Shared Services, Saudi Korean Company for Maintenance and Property Management (Mumtalakat).
- Chief of Staff, Bidaya Finance Company.
- HR Consultant, Aon Hewitt Middle East.
- Manager, Performance and Remunerations, Banque Saudi Fransi.

Qualifications

- MBA, Prince Sultan University.
- Bachelor's Degree, Languages and Translation, English Language, KSU.

Ali Alsagaby

Executive Chief Internal Audit Officer

Nationality

- **Saudi**

Current Positions

- **June 2024-Present: Executive Chief Internal Audit Officer, Al Akaria.**

Previous Positions

- **Chairman, Audit Committee, Tawtheeq Company (leasing and financing).**
- **Senior Manager, Internal Audit, Shared Services, Operations and Subsidiaries, Alrajhi Bank.**
- **Manager, Internal Audit, Business Sectors, STC.**
- **Executive Manager, Internal Audit, Information Systems and Security, Alrajhi Bank.**
- **Expert, Internal Audit, Telecommunication Networks, STC.**
- **Project Manager, Data Integration, Alinma Bank.**
- **Various other roles in internal audit, systems development, and project management.**

Qualifications

- **Bachelor's Degree, Information Systems, University of Tokyo, Japan.**
- **Executive Master of Business Administration (EMBA), KFUPM, Saudi Arabia.**
- **A range of professional fellowships and certifications, including Internal Audit Fellowship and Certified Information Systems Auditor (CISA).**

Remuneration Policy

Remuneration Criteria

Without prejudice to the provisions of the Companies Law and its Implementing Regulations, the Corporate Governance Regulations, and the Company's AoA, the following criteria shall be considered when determining the remuneration for the members of the Board of Directors, its committees, and the Executive Management:

1. The policy must align with the Company's strategy and objectives.
2. Remuneration should incentivize Board members and Executive Management to improve and develop the Company's performance over the long term. Variable components may be linked to long-term performance.
3. Remuneration shall be determined based on job level, duties, and assigned responsibilities, academic qualifications, practical experience, skills, and performance levels. It shall also consider the objectives set by the Board and the degree of risk associated with each position.
4. Remuneration must be proportionate to the size, nature, and risk profile of the Company.
5. Market practices of other companies shall be considered, while avoiding any unjustified increase in remuneration and compensation.
6. The policy shall aim to attract, retain, and motivate professional talent, without excess.
7. Remuneration for new appointments to the Board, committees, or Executive Management shall be determined in coordination with the NRC.
8. The policy must specify cases where remuneration may be suspended or recovered if it is found to have been determined based on inaccurate information provided by a Board member or executive manager, to prevent misuse of position to obtain undeserved remuneration.
9. The policy shall regulate the granting of Company shares to Board members and Executive Management (where applicable), whether as new grants or treasury shares.
10. The remuneration of Board Members may vary in amount to reflect the Member's experience, expertise, assigned duties, independence, number of meetings attended, and other considerations deemed essential. Board members may not vote on Board Remuneration item during the General Assembly meeting.

Remuneration Framework

First: Remuneration of Board Members

1. The NRC shall propose the optimal components of remuneration for Board members, Board committees, and Executive Management as part of the Remuneration Policy, and present recommendations to the Board.
2. The NRC shall monitor the implementation of the approved Remuneration framework and ensure there are no material deviations. It shall report the results of this monitoring to the Board in its periodic reports.
3. Subject to the Companies Law, Corporate Governance Regulations, and the Company's AoA, Board remuneration may consist of a fixed amount, attendance fees, in-kind benefits, or a percentage of net profits. Two or more of these benefits may be combined, provided that the entitlement is proportionate to the number of meetings attended.
4. Board remuneration consists of:

- Fixed annual remuneration.
- Board meeting attendance fees.
- Travel, daily transport, and accommodation allowances (for non-resident members). These shall be disbursed within 30 days of the meeting. These allowances also apply to specific business missions, such as project site visits.

5. The Chairman of the Board may receive additional remuneration determined by the General Assembly, based on an NRC proposal and Board recommendation, in addition to the remuneration allocated to Board members.
6. A Board member may receive additional remuneration for any executive, technical, administrative, or advisory work, under a professional license, in addition to the remuneration received in their capacity as a Board member and member of Board committees, in accordance with the Companies Law and the Company's AoA.
7. If Board remuneration is determined as a percentage of profits, the relevant provisions of the Companies Law and the Company's AoA must be observed.
8. Remuneration for Independent Board members must not be a percentage of profits, nor should it be directly or indirectly based on the Company's profitability.
9. Remuneration must be proportionate to the member's attendance rate relative to the total number of Board meetings held during the year.
10. Independence criteria must be considered when determining the remuneration of independent members. Actions that compromise an independent member's independence include receiving financial amounts from the Company, in addition to remuneration granted for membership of the Board or any of its committees, exceeding SAR 200,000 or 50% of the prior year's remuneration received for board or committee membership, whichever is less

Second: Remuneration of Board Committee Members

1. Committee members' remuneration consists of:

- Fixed annual remuneration.
- Attendance allowance for committee meetings.
- Travel ticket allowance and daily allowance for transportation and accommodation expenses (if the member is not resident in the city where the meeting is held). These allowances must be paid within (30) days from the date of the Board meeting session. These allowances are also payable where the business trip relates to a specific assignment (e.g., a project visit or follow-up work in another city).

2. Granted remuneration must be proportionate to the member's attendance rate relative to the total number of committee meetings held during the year.
3. The remuneration amount must align with the tasks and responsibilities assigned to each committee.
4. If a committee holds fewer meetings than stipulated in its governing charter, remuneration is calculated proportionately based on the actual number of meetings held.

Third: Remuneration of Executive Management

1. The Board of Directors establishes and approves the Company's general strategy, which is then translated into Key Performance Indicators (KPIs) across all sectors, departments, and roles. These are documented and circulated to ensure that the activities carried out by Executive Management are aligned with the implemented strategy. These indicators are monitored and reported to the Board regularly. Furthermore, the extent to which Board-approved KPIs are achieved is directly linked to the remuneration granted to Executive Management.
2. The relevant committee determines the Company's risk appetite, which is then approved by the Board. Accordingly, acceptable risk limits are defined and communicated to employees who bear material risks, including the Company's Executive Management, via the NRC.
3. Executive Management remuneration takes into account the Company's operating environment, its results, and its risk appetite. Remuneration is reviewed at least every three years to re-evaluate the total remuneration package, market conditions, and performance at both the individual and corporate levels. Executive Management remuneration includes the following primary categories:
4. Fixed Remuneration

- Fixed benefits for Executive Management are determined based on assigned responsibilities and the Executive's defined career path. Benefit categories and limits are approved within the Company's authorized salary and grade structure.
- Fixed benefits (such as salary, allowances, end-of-service benefits, etc.) are contractually agreed upon with each executive individually as consideration for the skills, competencies, and expertise utilized in their roles, in compliance with the approved grade structure and relevant regulatory requirements.

5. Variable Benefits

- Variable benefits are linked to achieving predefined objectives.
- This category is designed to motivate and reward Executive Management members. Variable benefits are allocated based on the individual executive's performance and overall Company performance.
- Variable benefits may be paid in cash or in shares if the Company adopts an Employee Stock Option (ESO) scheme. This is determined annually by the NRC before Board approval.
- The Company's variable benefits system is based on the process of defining KPIs for Executive Management. Adherence to these indicators determines the value of variable remuneration due, distributed according to individual performance. These consist of two types: Financial Indicators (for the Company and departments) and Non-Financial Indicators related to Company operations and activities.

Balance Between Fixed and Variable Benefits

The Company ensures an appropriate balance is maintained between fixed and variable benefits. The ratio of fixed to variable benefits is reviewed and determined annually by the Board of Directors, based on the recommendation of the NRC.

Member	Annual Remuneration	Attendance Allowance	Travel Ticket Allowance (Non-Residents)	Daily Allowance (Non-Residents)
Chairman of the Board	SAR 250,2000	SAR 5,000 per Meeting	Round-trip first-class ticket from place of residence to meeting/ work location.	Round-trip first-class ticket from place of residence to meeting/ work location.
Board Member	SAR 200,000			
Committee Chairman	SAR 125,000	SAR 3,000 per Meeting		
Committee Member	SAR 100,000			

Board Remuneration for 2025

(All Amounts in SAR)

Name	Position	Fixed Remuneration							Variable Remuneration						End-of-service Gratuity	Grand Total	Expense Allowance
		Lump Sum	Allowance for attending Board meetings	Total Allowance for attending Board meetings	In-Kind Benefits	Remunerations for Technical, Managerial and Consultative Work	Remunerations of the Chairman, Managing Director or Secretary, if a Member	Total	Percentage of Profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (Value)	Total			
Non-Executive Members																	
Naif Saleh Al Hamdan	Chairman of the Board	250,000	5000	45,000	X	X	X	295,000									
Hathal Al-Otaibi	Vice Chairman of the Board	200,000	5000	25,000	X	X	X	225,000									
Mohammed Musfir Al-Malki	Board Member	200,000	5000	45,000	X	X	X	245,000									
Mohammed Saud Al Essa	Board Member	200,000	5000	35,000	X	X	X	235,000									
Saud Abdullatif Al Sheikh	Board Member	200,000	5000	40,000	X	X	X	240,000									
Total (SAR)		**1,050,000**		**190,000**				**1,240,000**									
Independent Members																	
Mohammed Farhan Nader	Board Member	200,000	5000	40,000	X	X	X	224,000									
Khalil Abdulqader Al Nammari	Board Member	200,000	5000	35,000	X	X	X	221,000									
Omar Mohammad Najjar	Board Member	200,000	5000	40,000	X	X	X	224,000									
Moath Naeem Al Naeem	Board Member	200,000	5000	40,000	X	X	X	224,000									
Total (SAR)		800,000		155,000				955,000									
Executive Members																	
N/A																	
Total (SAR)																	
Grand Total (SAR)		**1,850,000**		**345,000**				**2,195,000**									

Committee Members' Remuneration for 2025

Name	Fixed Remuneration (Excl. Meeting Attendance Allowance)	Meeting Attendance Allowance	Total
Audit Committee Members			
Mohammed Farhan Nader	125,000	12,000	137,000
Saud Abdullatif Al Sheikh	100,000	12,000	112,000
Mohammed Omar Al Eyaide	100,000	12,000	112,000
Abdulrahman Abdulaziz Balghunaim	100,000	12,000	112,000
Total	**425,000**	**48,000**	**473,000**
NRC Members			
Omar Mohammad Najjar	125,000	33,000	158,000
Mohammed Musfir Al-Malki	100,000	33,000	133,000
Khalil Abdulqader Al Nammari	100,000	30,000	130,000
Reem Abdulrahman Al-Ruhailey	100,000	15,000	115,000
Total	**425,000**	**111,000**	**536,000**
Executive Committee Members			
Hathal Al-Otaibi	125,000	30,000	155,000
Saud Abdullatif Al Sheikh	100,000	30,000	130,000
Moath Naeem Al Naeem	100,000	30,000	130,000
Badr Mohammed Al Dwaian	100,000	30,000	130,000
Total	**425,000**	**120,000**	**545,000**
GRC Committee Members			
Mohammed Musfir Al-Malki	125,000	21,000	146,000
Mohammed Saud Al Essa	100,000	21,000	121,000
Khalid Mohammed Alkharashi	100,000	18,000	118,000
Mona Abdulrahman Alshaghaa	100,000	21,000	121,000
Total	425,000	90,000	515,000
Grand Total	**1,700,000**	**369,000**	**2,069,000**

Remuneration of the Top Five Senior Executives for 2025

	Fixed Remuneration				Variable Remuneration									
Senior Executives Positions	Salaries	Allowances	In-kind Benefits	**Total**	Leave Salary	Periodic Remunerations	Note	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	**Total**	End-of-Service Award	Total Executives Remunerations, if any	Grand Total
Total Remuneration Paid to the Top Five Senior Executives (including the CEO and CFO)	5,892,000	1,747,548	-	7,639,548	299,400	2,529,068	0	0	857,600	-	-	2,995,300	0	0	11,325,616
Total	**5,892,000.00**	**1,747,548.00**	**-**	**7,639,548.00**	**299,400.00**	**2,529,067.81**	**0**	**0**	**857,600.00**	**-**	**-**	**2,995,300.00**	**0**	**0**	**11,325,615.81**

Dividend Distribution Policy

Subject to other applicable regulations, the Company may distribute interim semi-annual and quarterly dividends after fulfilling the following requirements:

A. The Ordinary General Assembly shall authorize the Board to distribute interim dividends pursuant to an annually renewed resolution.

B. The Company shall keep a good and consistent profitability record.

C. The Company shall have reasonable liquidity and be able to reasonably forecast its level of profits.

D. The Company shall have distributable profits in accordance with the latest audited financial statements, sufficient to cover the proposed dividends distribution after deducting any distributed and capitalized profits after the date of those statements.

3. The Ordinary General Assembly, when determining the share of net profits, may decide to create reserves to serve the Company's interests or ensure a stable dividend distribution, as much as possible, to shareholders. The Assembly may also allocate amounts from net profits for social purposes for the Company's employees.

4. The General Assembly shall determine the percentage of the net profits to be distributed to the shareholders after deducting the reserves, if any.

Profits distributed during the year 2025

No dividends were distributed or recommended for the fiscal year 2025.

Methods relied upon by the Board of Directors in evaluating its performance and the performance of its committees and members, and the external party that conducted the evaluation and its relationship with the company:

The Board, as a whole, conducts a periodic self-evaluation under the supervision of the Nomination and Remuneration Committee.

Any penalty, sanction, precautionary measure, or preventive restriction imposed on the company by the Authority or any supervisory, regulatory, or judicial body, stating the reasons for the violation, the issuing entity, and the means to remedy it and avoid its recurrence in the future:

Violated Regulation/Circular	Issuing Authority	Penalty Value (SAR)	Corrective Plan
Violations of Environmental Permits and Media Regulations	National Center for Environmental Compliance	170,000	Compliance with relevant regulations and systems
Road, Street, and Building Violations - General Construction Violations	Royal Commission for Riyadh City	342,100	Compliance with relevant regulations and systems
Fines and Penalties Regulations for Municipal Violations and Road/Street Violations	Ministry of Municipalities and Housing – Municipal Sector	252,000	Compliance with relevant regulations and systems
Labor Violation	General Organization for Social Insurance (GOSI)	3,000	Compliance with relevant regulations and systems

The Company's Requests for the Shareholder Register in 2025

Date of Request	Reasons for Request
02/01/2025	Others
09/02/2025	General Assembly
25/03/2025	Others
30/04/2025	Others
29/05/2025	Others
23/06/2025	Others
25/06/2025	General Assembly
31/07/2025	Others
01/09/2025	Others
30/09/2025	Others
30/10/2025	Others
30/11/2025	Others

General Assembly Meetings Held in 2025 and Board Attendance Records for the Previous Board Term Ended on 09 Feb 2025

Name	Position	Extraordinary General Assembly 9 February 2025	Attendance (%)
Naif Saleh Al Hamdan	Chairman of the Board	√	100%
Fahad Abdulrahman Al Mojel	Vice Chairman of the Board	√	100%
Faisal Farkad Al Khani	Member	√	100%
Faisal Dhahir Al Enaze	Member	√	100%
Fahad Ibrahim Al Hammad	Member	√	100%
Mohammed Musfir Al-Malki	Member	√	100%
Mohammed Abdullah Al Smari	Member	√	100%
Ibrahim Mohammed Al Alwan	Member	√	100%
Hisham Hussain Al Khaldi	Member	√	100%

General Assembly Meetings Held in 2025 and Board Attendance Records for the Current Board Term Started on 10 Feb 2025

Name	Position	Extraordinary General Assembly 25 June 2025	Attendance (%)
Naif Saleh Al Hamdan	Chairman of the Board	√	100%
Hathal Al-Otaibi	Vice Chairman of the Board	√	100%
Mohammed Musfir Al-Malki	Member	√	100%
Mohammed Saud Al Essa	Member	√	100%
Saud Abdullatif Al Sheikh	Member	√	100%
Mohammed Farhan Nader	Member	√	100%
Khalil Abdulqader Al Nammari	Member	√	100%
Omar Mohammad Najjar	Member	√	100%
Moath Naeem Al Naeem	Member	√	100%

Related Party Transactions

During the fiscal year ended 31 December 2024, the Company signed a contract with the Royal Commission for AlUla (RCU) and AlUla Development Company (UDC) to execute a development management agreement for the Sidrat AlUla project. During the fiscal year ended 31 December 2025, the parties agreed not to proceed with the execution of the contract in its current form, which resulted in the Company recovering amounts previously spent on the project, as a claim was issued and settled during the period, without any material financial impact on the consolidated financial statements.

During the fiscal year ended 31 December 2025, the Group, along with Riyadh Holding Company and Arriyadh Development Company, entered into a contract to sell a plot of land in Riyadh to Sumood Second Development and Real Estate Investment Company, where the Group's share of the sale price amounted to SAR 1,724 thousand. This transaction is classified as a related party transaction, as a Board Member, Muaath Al-Naeem, holds a 35% stake in the purchasing company.

Provisions and Compliance Levels

The Company acknowledges its application of all provisions stipulated in the Corporate Governance Regulations, with the following exceptions:

No. of Article/Paragraph	Article/Paragraph Text	Reasons for Non-Application
37, Paragraph 2	Developing the necessary mechanisms for Members of the Board, Committees, and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	Remains a Guiding Article
84	Corporate Social Responsibility (CSR)	Remains a Guiding Article
85	Social Work Initiatives	Remains a Guiding Article

Internal Audit Results

- During 2025, the Internal Audit Department executed its audit activities in accordance with the annual plan approved by the Audit Committee, utilizing a risk-based methodology aimed at assessing the adequacy and effectiveness of internal controls, and strengthening governance, risk management, and compliance. These activities included conducting audit engagements, issuing reports detailing audit findings and recommendations, and following up on the implementation of remediation plans in coordination with the relevant departments. Periodic reports were submitted to the Audit Committee regarding the progress of implementing corrective measures and any significant observations.

Based on the work performed during the year, the Internal Audit Department did not identify any matters that required escalating urgent observations beyond those already included and addressed through the issued audit reports and the approved remediation and follow-up plans.

The Committee reviewed the interim quarterly and annual financial statements prior to their submission to the Board of Directors. These statements were discussed with the Executive Management and the External Auditor, with a primary focus on ensuring the integrity, fairness, and transparency of the financial reporting. The review also encompassed significant or unusual matters, as well as any issues raised by the Chief Financial Officer (CFO), the Compliance Department, or the External Auditor.

Internal Audit:

The Committee examined and reviewed the internal and financial control systems and risk management frameworks, studied periodic internal audit reports, and monitored the implementation of corrective actions for noted observations. Furthermore, the Committee oversaw the performance and activities of the Internal Audit function to ensure the availability and effectiveness of necessary resources. During the year, the Committee provided recommendations to the Board regarding the appointment, dismissal, evaluation, and remuneration of the Internal Auditor, as applicable.

External Auditor:

The Committee provided recommendations to the Board of Directors regarding the nomination and remuneration of the External Auditor, after evaluating their independence and reviewing the scope of work and contracting terms. Furthermore, the Committee assessed the objectivity and effectiveness of the audit process, reviewed the audit plan, and verified that no non-audit services were provided. It also discussed the External Auditor's report and observations on the financial statements, while monitoring the subsequent actions taken in response.

Compliance:

Regarding transactions with related parties, the Committee reviewed the proposed contracts and transactions and provided its feedback to the Board of Directors based on the information presented to it.

Conflict between Audit Committee Recommendations and Board Decisions:

During the year, the Committee did not identify any conflicts between its recommendations and the decisions made by the Board of Directors.

Audit Committee Meetings:

During the fiscal year, the Committee held five meetings. The minutes of these meetings, along with the voting results and any reservations—if any—were documented in accordance with the procedures approved by the Committee Secretariat. These sessions included meetings with the Company's External Auditor and Internal Auditor, as well as meetings with Executive Management at the Committee's request and based on its assessment of need.

Whistleblowing Arrangements:

The Company has an approved policy for reporting non-compliant practices, allowing for confidential submissions. Based on the information and reports available, the Audit Committee has not identified any material violations or observations with a financial impact that require disclosure in this Report.

Audit Committee Powers:

Throughout the year, the Committee exercised its powers, including the right to access the Company's records and documents, and to request clarifications and data from the Board of Directors and Executive Management when necessary. This enabled the Committee to fulfill its duties within its scope of competencies.

Furthermore, nothing came to the Committee's attention during the year that necessitated exercising its power to call for a General Assembly meeting.

The Committee's Opinion on the Adequacy of Internal and Financial Control and Risk Management Systems:

The evaluation of the control system revealed certain observations and opportunities for improvement across several areas, necessitating the enhancement of specific controls and the strengthening of implementation effectiveness. These findings are being addressed through approved corrective action plans, with the Committee regularly monitoring their progress.

In line with the principle of transparency, the operational observations and improvement opportunities regarding certain aspects of the internal control system can be summarized as follows:

- Technology and Cybersecurity Systems: The need to finalize the alignment of certain controls with updated regulatory standards and enhance automated integration between financial and operational systems to minimize manual intervention.
- Project Governance: The need to improve the efficiency of planning and scheduling mechanisms for capital and development projects to ensure adherence to target timelines.
- Regulatory Updates: Completing the update of policies, procedures, and the Delegation of Authority (DoA) matrix to align with changes in the organizational structure and operations of the Company and its subsidiaries.
- Emphasis of Matter (EOM) in Financial Statements: Addressing the "Emphasis of Matter" issues repeatedly highlighted by the External Auditor in the financial statement disclosures.

The Committee further emphasizes that any internal control system, regardless of how soundly it is designed, cannot provide absolute assurance. Instead, it is intended to provide reasonable assurance regarding the achievement of objectives, risk management, and the effectiveness of internal and financial control systems.

Cases

- In 2016, Al Akaria entered into an investment agreement with Al Bayan Holding Group to pour investments worth SAR 187.5 million in the latter's sukuk, bearing an annual profit rate of 4.5% and maturing in June 2018. Al Bayan Holding Group's did not meet its obligations, so the Parties executed an addendum in 2017 to reschedule the maturity date. Despite formal demands for payment, the counterparty failed to settle the outstanding financial obligations.

In 2021, the Company initiated legal proceedings against Al Bayan Holding Group; however, a final judgment was rendered dismissing the claim. Subsequently, in 2022, the Company initiated legal action against the investment guarantor. In 2024, a final judgment was issued in favor of the Company, obligating the guarantor to pay the full sukuk principal of SAR 187.5 million. The Company has since filed an enforcement request with the competent Enforcement Court, and proceedings remain ongoing to recover the awarded amount.

- The Company continues to pursue all necessary legal avenues to protect its interests and ensure the full recovery of its rights.

During the 2025 fiscal year, the Company filed objections before the Administrative Courts regarding six White Land Tax invoices issued by the Ministry of Municipalities and Housing, totaling SAR 24 million. As of the reporting date, three invoices with a total value of SAR 17 million have been successfully canceled pursuant to final judicial rulings or administrative decisions in favor of the Company. Three cases remain pending before the Administrative Courts in Riyadh.

The Company is also party to various routine legal proceedings arising in the ordinary course of business. The Company continues to actively defend or pursue these matters as appropriate, and they are currently at various stages of litigation.

A description of any interest in a class of voting shares held by persons (other than the Company's Board Members, Senior Executives, and their relatives) who have notified the Company of such interests pursuant to Article (85) of the Rules on the Offer of Securities and Continuing Obligations, and any change in such interests during the last financial year.

Ownership of Board Members

Share Ownership

Member Name	Opening Balance	Closing Balance	Percentage Change
Naif Saleh AlHamdan	0	0	0
Hathal Saad Al Utaibi	0	0	0
Mohammed Musfir Al Malki	0	0	0
Mohammed Saud Al Essa	0	0	0
Saud Abdullatef Al Sheikh	0	0	0
Mohammed Farhan Nader	0.000027%	0.000027%	0
Khalil Abdulqader Alnammari	0.000003%	0.000003%	0
Omar Mohammad Najjar	0.000267%	0.000267%	0
Moath Naeem alnaeem	0.001333%	0.001333%	0

Board Declarations

Board Al Akaria Board hereby declares that:

1. The accounting records have been duly prepared.
2. The internal control system has been duly made and adequately implemented.
3. The Board has no doubts about Al Akaria's ability to continue its activity.
4. Neither the Company nor any of its subsidiaries issued any debt instruments or financial instruments such as stock options or equity rights convertible into shares during the year.
5. The Company did not enter into any transactions related to its own shares.
6. No substantial events have occurred that affect the integrity of the Company's financial position following the end of the fiscal year 2025, that need to be disclosed, other than the already available information declared earlier.
7. The Company Board did not receive any request from the Auditors calling upon the General Assembly to convene in 2025.
8. No measures have been taken obstructing the rights of shareholders to vote.
9. Al Akaria did not report any natural or legal person who holds 5% or more of Al Akaria Company's issued shares in 2025.
10. The Company did not offer any cash loans whatsoever to any of its Board Members and did not serve as a guarantor for any loan made by any of them to any third party.
11. No option rights or subscription rights are held by any of the Board members, Senior Executives, their spouses, or minor children.
12. No recommendation was made during 2025 to replace the External Auditor before the expiry of the period for which it was appointed.
13. There is no arrangement or agreement under which any Board Member or Senior Executives has waived any remuneration.
14. There is no arrangement or agreement under which any Shareholder of the Company has waived any rights to dividends.
15. The External Auditor's report contained no audit qualifications on the annual financial statements.
16. No Board Member has engaged in any business competing with the Company or with any of the activities conducted by the Company.
17. There are no investments or reserves established for the benefit of the Company's employees, and the Company did not issue any treasury shares for this purpose or any other purpose during 2025.

Financial Statements

Statement of Financial Position	230
Statement of Income	231
Statement of Cash Flows	233
Notes to the Financial Statements	234

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Consolidated financial statements for the year ended December 31, 2025

Index	Page
Independent auditor's report on the consolidated financial statements	1-4
Consolidated statement of financial position	5
Consolidated statement of comprehensive income	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9 – 52

MOORE

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS
SAUDI REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA

Opinion

We have audited the consolidated financial statements of **Saudi Real Estate Company** (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (the "Group"), which comprise of the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to these consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Conduct and Ethics adopted in the Kingdom of Saudi Arabia. Also fulfilled the requirements of the conduct of other ethics in accordance with those rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

1. We draw attention to note (9) to the consolidated financial statements which state that 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 by specialized committees to resolve these matters. The management is currently communicating with the related government agencies to address these reasons to allow the use of these lands. The impact of this matter on the recoverable amount of these lands is still uncertain and depends on the final results of the study by the assigned committees. The carrying amount of these lands amounted to SR 437.7 million as at 31 December 2025 (2024: SR 437.7 million).

2. We draw attention to note (9) to the consolidated financial statements, management was informed by the relevant government agencies that one of the subsidiaries' land which was designated for the Al Widyan project is located within an area that is currently under study with the aim of developing it by the government agencies, which may result into a material change to the original project's plan and the land's recoverable value. The impact of this matter is uncertain and depends on the completion of the study by the government agencies and future developments in the area. The carrying amount of the land and capital work-in-progress amounted to SR 2.9 billion as at December 31, 2025 (2024: SR 2.9 billion).

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Certified Public Accountants

Key Audit Matter

The key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these. The following describes the key audit matter and how it should be addressed:

Key audit matter	How the matter was addressed in our audit
Investment Properties The Group has investment properties of lands and buildings amounted to SR 5.7 billion which represents 59% of the Group's total assets. Investment properties are stated at cost in the statement of financial position less accumulated depreciation and impairment, if any. For the purposes of assessing impairment and disclosing the fair value in the consolidated financial statements, investment properties are valued by an external, independent, accredited valuer ("Valuer"). This matter was considered as a key audit matter as the assessment of impairment of investment properties requires a significant judgment by the management. Also, include key estimates may that the impairment of investment properties is material in the consolidated financial statements. Please refer to (Note 9) to the consolidated financial statements regarding the accounting policy related to investment properties and (Note 4) regarding related disclosures.	We performed the following procedures: - Evaluate the objectivity of valuer and its independence and experience and qualification who has been appointed by the management. - Comparing the fair value of investment properties based on the real estate valuer's report with the book balance of investment properties as at December 31, 2025. - Ensuring that the appropriateness of evaluation method and methodology approved by the valuer. - Review on a sample basis, to evaluate the investment properties executed by the valuer to ensure the reasonableness of the key assumptions that were used to determine the fair values of the investment properties. - Obtaining title deeds for investment properties and discussing their legal status with management and the internal legal department. - Ensuring that the consolidated financial statements include sufficient and appropriate disclosures of accounting policies and disclosure related to investment properties.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS
SAUDI REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA

Other information

The other information comprises the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information contained in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS
SAUDI REAL ESTATE COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion, including any significant deficiencies in internal control that we identify during our audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FOR EL SAYED EL AYOUTY & CO.

Riyadh: 30 marches, 2026
Shawwal 11, 1447H

Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Consolidated statement of financial position as of 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

	Notes	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net	8	**35,548**	28,602
Investment properties, net	9	**5,696,155**	5,538,691
Intangible assets, net		**5,219**	7,370
Investment in associates and a joint venture	11	**419,127**	312,273
Investments in equity instruments designated at FVOCI	12	**236,323**	415,322
Right-of-use assets	13	**204,884**	210,708
Properties held for sale, non-current portion	14	**386,705**	381,269
TOTAL NON-CURRENT ASSETS		**6,983,961**	6,894,235
CURRENT ASSETS			
Properties held for sale	14	**243,603**	267,327
Inventories		**48,534**	11,638
Prepayments and other receivables	15	**309,194**	348,432
Trade receivables, net	16	**199,773**	530,684
Investments in equity instruments designated at FVOCI - Current	12	**77,201**	-
Time Deposits		-	300,000
Cash and cash equivalents	17	**1,552,604**	1,076,758
TOTAL CURRENT ASSETS		**2,430,909**	2,534,839
TOTAL ASSETS		**9,414,870**	9,429,074
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	**3,750,000**	3,750,000
Share premium		**222,700**	222,700
Statutory reserve	19	**720,000**	720,000
Contractual reserve	20	**10,051**	10,051
Other reserves	21	**73,693**	128,477
Retained earnings		**521,811**	147,815
Equity attributable to equity holders of the parent company		**5,298,255**	4,979,043
Non-controlling interests	22	**307,575**	203,733
TOTAL EQUITY		**5,605,830**	5,182,776
NON-CURRENT LIABILITIES			
Term loan, non - current portion	23	**1,939,183**	2,068,462
Loan from Ministry of Finance, non - current portion	24	**588,143**	758,051
Lease liabilities, non - current portion	25	**233,424**	226,548
Employees' defined benefit obligations	26	**60,763**	42,250
TOTAL NON-CURRENT LIABILITIES		**2,821,513**	3,095,311
CURRENT LIABILITIES			
Short-term bank loan	27	-	100,000
Term Loan, current portion	23	**129,279**	-
Loan from Ministry of Finance, current portion	24	**169,908**	156,838
Lease liabilities, current portion	25	**20,150**	13,701
Trade payables	28	**149,596**	188,435
Unearned revenue	29	**85,191**	87,781
Accrued expenses and other payables	30	**384,620**	525,877
Zakat provision	31	**48,783**	78,355
TOTAL CURRENT LIABILITIES		**987,527**	1,150,987
TOTAL LIABILITIES		**3,809,040**	4,246,298
TOTAL LIABILITIES AND EQUITY		**9,414,870**	9,429,074

Chief Financial Officer | Acting Chief Executive Officer | Chairman

The accompanying notes from (1) to (45) form an integral part of these consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Consolidated statement of comprehensive income for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

	Note	2025	2024
Revenue	33	**1,880,085**	1,987,668
Cost of revenue	34	**(1,057,188)**	(1,278,335)
GROSS PROFIT		**822,897**	709,333
Selling and marketing expenses	35	**(12,116)**	(12,481)
General and administration expenses	36	**(213,070)**	(215,832)
OPERATING PROFIT		**597,711**	481,020
Share of profit of associates and a joint venture	11	**60,170**	55,614
Dividends from equity instruments designated at FVOCI	12	**2,466**	3,846
Other income	37	**47,498**	26,032
Financial charges	38	**(216,433)**	(242,686)
PROFIT BEFORE ZAKAT		**491,412**	323,826
Zakat	31	**(61,677)**	(17,818)
NET PROFIT FOR THE YEAR		**429,735**	306,008
ATTRIBUTABLE TO:			
Shareholders of the parent company		**295,965**	215,063
Non-controlling interest	22	**133,770**	90,945
		429,735	306,008
Earnings per share (Saudi Riyals)			
Basic and diluted earnings per share for the year attributable to the shareholders of the parent company	39	**0.79**	0.57
Net change in fair value of investments in equity instruments designated at FVOCI	12	**31,324**	49,880
Share of other comprehensive loss of associates and a joint venture	11	**(4,722)**	(31,666)
Remeasurement losses on defined benefit obligations	26	**(5,283)**	(4,037)
Other comprehensive income for the year		**21,319**	14,177
Total comprehensive income for the year		**451,054**	320,185
Attributable to:			
Shareholders of the parent company		**319,212**	230,468
Non-controlling interest	22	**131,842**	89,717
		451,054	320,185

Chief Financial Officer | Acting Chief Executive Officer | Chairman

The accompanying notes from (1) to (45) form an integral part of these consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Consolidated statement of cash flows for the year ended 31 December 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	2025	2024
Cash flows from operating activities:		
Profit for the year before zakat	491,412	323,826
Adjustments to reconcile the profit for the year before zakat:		
Depreciation of property and equipment	14,212	7,687
Depreciation of investment properties	79,570	55,672
Amortisation of intangible assets	2,852	3,445
Depreciation of right-of-use assets	8,986	2,738
Share in profit of associates and a joint venture	(60,170)	(55,614)
Gain from disposal of property and equipment	(846)	(1,162)
Financial charges	216,433	242,686
Provision of employees' defined benefit obligations	15,905	12,324
	768,354	591,602
Changes in Operating Assets and Liabilities:		
Trade receivables	330,911	(392,634)
Prepayments and other receivables	39,238	(108,639)
Inventories	(36,896)	8,808
Properties held for sale	63,181	756,850
Trade payables	(38,839)	59,556
Unearned revenue	(2,590)	(13,887)
Accrual expenses and other payables	(55,749)	57,655
	1,067,610	959,311
Employees' defined benefit obligations paid	(2,675)	(5,859)
Zakat paid	(91,249)	(25,422)
Net cash generated from operating activities	973,686	959,311
Cash flows from investing activities:		
Dividends received from an associate	9,999	9,999
Proceeds from disposal of investments designated at FVOCI	133,122	1,537
Proceeds from / (paid to) time deposits	300,000	(300,000)
Additions to intangible assets	(701)	(378)
Additions to property and equipment	(21,441)	(7,928)
Additions to investment properties	(299,394)	(165,006)
Proceeds from disposal of property and equipment	1,129	2,805
Amounts paid to obtain share of associates and a joint venture	(43,938)	(2,975)
Cash flows from / (used in) investing activities	78,776	(461,946)
Cash flows from financing activities:		
(Repayment of) / Proceeds from short-term loans	(100,000)	100,000
Repayment of loan from the Ministry of Finance	(156,838)	(143,768)
Dividends issued by a subsidiary to non-controlling interests	(28,000)	(20,000)
Payments of lease liabilities	(4,250)	(2,136)
Finance charges paid	(287,528)	(161,091)
Cash flows used in financing activities	(576,616)	(226,995)
Net change in cash and cash equivalents	475,846	239,089
Cash and cash equivalents at the beginning of the year	1,076,758	837,669
Cash and cash equivalents at the end of the year	1,552,604	1,076,758
Significant Non-Cash Transactions		
Transfer from Investment Properties to Properties Held for Sale	44,893	4,809
Transfer from Investment Properties to an Associate	17,467	-
Additions to Right-of-Use Assets and Lease Liabilities	3,162	76,591

Chief Financial Officer | Acting Chief Executive Officer | Chairman

The accompanying notes from (1) to (45) form an integral part of these consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

Consolidated statement of changes in equity for the year ended 31 December 2025

(In Saudi Riyals Thousands, unless otherwise indicated)

	Equity attributable to equity holders of the parent company								
	Share capital	Share Premium	Statutory reserve	Contractual reserve	Other reserve	Retained earnings	Total equity attributable to shareholders of the parent company	Non - controlling interests	Total equity
As of 1 January 2024	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 year	-	-	-	-	-	215,063	215,063	90,945	306,008
Other comprehensive income for the year	-	-	-	-	15,405	-	15,405	(1,228)	14,177
Total other comprehensive income	-	-	-	-	15,405	215,063	230,468	89,717	320,185
Disposal of investments at FVOCI	-	-	-	-	(204)	-	(204)	-	(204)
Dividends issued by a subsidiary to NCI	-	-	-	-	-	-	-	(20,000)	(20,000)
Balance as of 31 December 2024	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 year	-	-	-	-	-	295,965	295,965	133,770	429,735
Other comprehensive income for the year	-	-	-	-	23,247	-	23,247	(1,928)	21,319
Total other comprehensive income	-	-	-	-	23,247	295,965	319,212	131,842	451,054
Disposal of investments at FVOCI	-	-	-	-	(78,031)	78,031	-	-	-
Dividends issued by a subsidiary to NCI	-	-	-	-	-	-	-	(28,000)	(28,000)
Balance as of 31 December 2025	3,750,000	222,700	720,000	10,051	73,693	521,811	5,298,255	307,575	5,605,830

Chief Financial Officer | Acting Chief Executive Officer | Chairman

The accompanying notes from (1) to (45) form an integral part of these consolidated financial statements.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 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 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 is licensed to engage in the activities of buying and selling land and real estate, subdividing them, conducting off-plan sales and real estate brokerage. The company's fiscal year follows the Gregorian calendar, commencing 1 January and ending on 31 December of the same year.

The consolidated financial statements include the financial statements of the Parent Company and the financial statements of its subsidiaries as follows:

Name	Country of incorporation	Principal activities	Year of incorporation	Ownership percentage (Directly or indirectly) 2025	2024
Saudi Real Estate Construction Company (A)	KSA	Constructions works	2016	**100%**	**100%**
Saudi Real Estate Infrastructure Company (B)	KSA	Infrastructure works	2017	**60%**	**60%**
Saudi Korean Company for Maintenance and Properties Management (C)	KSA	Maintenance, operation and management of facilities	2017	**60%**	**60%**
Al Widyan Saudi Real State Company (D)	KSA	Developing Al Widyan project, not commenced its activities during the year	2018	**100%**	**100%**
Alinma Alakaria Real Estate Fund (E)	KSA	Under liquidation	2019	**100%**	**100%**
Hodood Real Estate Investment Company (F)	KSA	Asset Preservation Company, not commenced its activities during the year	2022	**100%**	**100%**
Creativity Hub Company for Co-Working Spaces (G)	KSA	Shared workspace rental company, not commenced its activities during the year	2025	**100%**	**-**

(A) Saudi Real Estate Construction Company is a single shareholder closed joint stock company registered in the Kingdom of Saudi Arabia wholly owned by the Parent Company with a share capital of SR 34 million (thirty-four million Saudi Riyals only). Saudi Real Estate Construction Company registered in Riyadh, 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 the cultivation of ornamental plants and seedlings in nurseries, general carpentry workshops, and aluminum manufacturing workshops, general construction of residential and non-residential buildings, governmental buildings, construction of prefabricated buildings on sites. Renovations and finishing of residential and non-residential buildings. Electrical wiring and installation of various decorative.

(B) Saudi Real Estate Infrastructure Company is a closed joint stock company 60% owned by the Parent Company with a share capital of SR 30 million (three hundred million Saudi Riyals only). Saudi Real Estate Infrastructure Company registered in Riyadh 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 construction of roads, streets, sidewalks, bridges and tunnels. Also, extension of oil and gas pipelines, construction of stations and main lines of water distribution, construction of sewage treatments plants, sewer networks projects and pumps. Construction of port docks and marine facilities, demolition and removal of buildings and other structures, site preparation through excavation and leveling, and network extensions.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 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 60% owned by the Parent Company with a share capital of SR 20 million (twenty million Saudi Riyals only). Saudi Korean Company for Maintenance and Properties Management is registered in Riyadh 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 renovations of residential and non-residential buildings, building maintenance services activities, general and exterior building cleaning, specialized building cleaning including chimneys, windows, etc. Swimming pool cleaning and maintenance, disinfection and fumigation activities for the extermination of insects and rodents, cleaning activities for industrial machinery, equipment and roads, care and maintenance of parks and gardens for public housing purposes, care and maintenance of the views of buildings, house gardens, roof gardens, facades of private buildings, etc. Care and maintenance of highway parks.

(D) Al Widyan Saudi Real Estate Company is a single shareholder closed joint stock company registered in the Kingdom of Saudi Arabia wholly owned by the Parent Company with a share capital of SR 500 thousand (five hundred thousand Saudi Riyals only). Al Widyan Saudi Real Estate Company is registered in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010455071 dated 16 Dhul Qi'dah 1439H (corresponding to 29 July 2018). The aim of its establishment is to develop Al Widyan project. With reference to what was indicated in Note (9) regarding Al Widyan project, Al Widyan Saudi Real Estate Company did not conduct any business activities during the current fiscal year and the comparative 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 during 2019 as per approval from the Capital Market Authority (CMA). During 2020 Saudi Real Estate Company has signed an agreement to terminate and liquidate the Fund. During 2022 all major assets of Fund has been transferred to Hodood Real Estate Investment Company which is wholly owned by the Parent 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 a single shareholder limited liability company wholly owned by the Parent Company with a share capital of SR 10 thousand (ten thousand Saudi Riyals only). Hodood Real Estate Investment Company registered in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 101836057 dated on 24 October 2022 (corresponding to 28 Rabi' Al-Awwal 1444H). The objective of the Company is transferring the title deeds of Alinma Alakaria Real Estate Fund, mentioned above, to Hodood Real Estate which is fully owned by Parent Company. Hodood Real Estate Investment Company did not conduct any business activities during the current fiscal year and the comparative year.

(G) Creativity Hub Company for Co-Working Spaces a single shareholder limited liability company wholly owned by the Parent Company with a share capital of SR 10 thousand (ten thousand Saudi Riyals only). The unified national number is 7050841902 in the CR dated on 22 July 2025 (corresponding to 27 Muharram 1447H). The objective of the Company is to engage in business incubators and accelerators activities. The Company did not conduct any business activities, it is expected to start business during the year ended December 31, 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), and its interpretations as issued by the International Accounting Standards Board ("IASB") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (collectively referred to as "IFRS" as endorsed in Kingdom of Saudi Arabia").

2.2 Basis of measurement

The 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 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.

3. BASIS OF CONSOLIDATION FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and are collectively referred as (the "Group") 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.

Generally, there is a presumption that a majority of voting rights result in control. However, when the Group has less than a majority of the voting, 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 and 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 one the 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 are included in the 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 Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests are presented separately within equity in the consolidated statement of financial position.

When preparing the consolidated financial statements, the accounting policies of the subsidiaries are consolidated to align with the accounting policies of the Group. All intra-group balances and transactions are eliminated including assets, liabilities, equity, revenue, expenses and cash flows. Any 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 assets, liabilities (including goodwill), non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment held is measured at fair value at the date of loss of control.

4. MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements:

Materiality

When preparing and presenting the consolidated financial statements, the management applies the materiality concept, so that information is presented and disclosed which, if omitted or misrepresented, could materially affect the economic decisions of the principal users of the consolidated financial statements. The management takes into account the materiality when choosing and applying accounting policies and when evaluating accounting errors and estimates.

Investment in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. A joint venture is an arrangement in which the Group has common control, and the parties have rights to the net assets of the arrangement.

The Group's investments in associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to reflect the Group's share of net assets of the investee since the acquisition date.

The consolidated statement of profit or loss include the Group's share of the results of the associates and the joint venture. The Group's share of other comprehensive income items for those entities is recognized in the consolidated statement of other comprehensive income. Any changes in equity in the investee company are recognized in the consolidated statement of changes in equity, where applicable.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in associates and a joint venture (Continued)

The financial statements for associates and joint ventures are prepared for the same financial period of the Group. Where necessary, adjustments are made to align accounting policies with those of the Group's accounting policies.

After application of the equity method, the Group assesses whether there is objective evidence that the investment is impaired. If there is such evidence, an impairment loss is recognized by the amount of the difference between the recoverable amount and the carrying amount of the investment in the consolidated statement of profit or loss.

Upon loss of significant influence or joint control, the Group measures any investment held at fair value. Any difference between the carrying amount of the investment upon loss and the fair value of the held investment as well as proceeds from disposal is recognized in the consolidated statement of profit or loss.

Current versus non-current classification of assets and liabilities

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is due to be settled within twelve months after the reporting period; Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures financial instruments such as derivatives, investment in equity instruments designated at FVOCI and investments designated at FVPL, at fair value at each consolidated financial statements reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Revenue Recognition

The Group recognizes revenues for contracts with customer according to a form of 5 steps as per IFRS 15:
Step 1- Identify the contract with customers: define as an approved agreement between two parties that incurred committed to fulfilling the terms of the contract and each party's right regarding the goods/services to be transferred can be identified.

Step 2 – Identify the separate performance and obligations: define as a written promise with customers while customer can benefit from the goods/services; entity's promise to transfer goods/services is separately identifiable from other promises in the contract.

Step 3 – Determine the transaction price: is the amount that the company expects to obtain from customer in exchange for transferring goods/services. Unless payments collection on behalf of third parties.

Step 4 – Allocate the transaction price to the performance obligation: contract contains more than distinct obligation a company allocates the transaction price to all separate performance obligation in proportion to the stand-alone selling price of the goods/services underlying each performance obligation. If good or service separately, the company would have to estimate its stand-alone selling price.

Step 5 – Recognise revenue when (or as) a performance obligation is satisfied.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Regarding to the contracts with customers, the Group meets the performance obligations and recognize revenue either over time or at a specific point in time, depending on the nature of each contract. Revenue is recognized over time if one of the following conditions is met.

A) The business simultaneously receiving and consuming the benefits resulting from the Group's performance.
B) The Group's performance generates create or improve assets that controlled by the customer while asset' creation or improvements.
C) The Group's performance of the obligation does not create an alternative use, and the Group has an enforceable right to collect for performance completed up to date.

Progress towards fulfilling performance obligations is measured using an appropriate method that reflects the pattern of transfer of control to the customer, according to the nature of each contract. Revenue is recognized at the point in time when control is transferred to the customer. The following are the specific policies and considerations that apply to the recognition of Group revenues, according to their nature:

Revenue from selling completed properties.

The sale of completed properties represents a single performance obligation. Revenue is recognized when control over the property is transferred to the customer. The transfer of control is usually realized when legal ownership of the property is transferred to the customer, unless the contract includes material provisions that delay the transfer. In that case, revenue is recognized when those provisions are met, and control is actually transferred to the customer.

Revenue from selling properties under development

The terms of the Group's contracts with customers are evaluated to determine whether performance obligations are satisfied over time or at a specific point in time, and revenue is recognized accordingly. Revenue is recognized over time when the relevant recognition conditions are met, including the absence of an alternative use of the asset and the existence of an enforceable right to consideration for performance completed to date. In cases where these conditions are not met, revenue is recognized when control is transferred to the customer. The management has evaluated the sales contracts for properties under development. The management concluded that the Group's performance does not create an asset with an alternative use, given that the real estate units are allocated to specific customers under the sales agreements. The Group has an enforceable right to receive consideration for performance completed to date, including appropriate compensation for performance performed. Accordingly, revenue is recognized over time. Progress towards fulfilling performance obligations is measured using an appropriate method that reflects the pattern of transferring control to the customer, whether using input or output methods, according to the nature of each contract.

Revenue from rental of investment properties

Rental revenue from operating leases relating to investments properties is recognized on a straight-line basis over the lease term, and is presented in revenue in the consolidated statement of profit or loss as one of the Group's operating activities, except for variable (conditional) rental revenue which is recognized when realized. In cases where rent invoices are issued or amounts are collected in advance for future rental periods, these amounts are recorded as unearned revenue within the liabilities in the consolidated statement of financial position and are recognized as revenue over the lease period on an accrual basis. The initial direct costs incurred in negotiating and entering into operating leases are recognized as an expense over the lease term on the same basis used to recognize lease revenue. Rental incentives provided to tenants are recognized as a shortfall in rental revenue on a straight-line basis over the lease term. The lease term represents the non-cancellable period of the lease, plus any optional periods which it is reasonably certain at the commencement of the contract that the lessee will exercise. Amounts received from tenants in consideration of termination of leases or damages are recognized in the consolidated statement of profit or loss when the right to receive them arises.

Dividends revenue from Investments at fair value

Regarding the Company's investments held at fair value, investment profits are recognized as revenue when the right to receive dividends arises.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Other revenue

Other revenues represent those items that do not arise from the Group's main operating activities and include, but are not limited to, gains from sale of property and equipment, sale of damaged assets, financial income, reversal of provisions and other incidental revenues. These revenues are recognized when they are realized or when the right to receive them arises, according to the nature of each item.

Revenue Contracts

The terms of contracts with customers are assessed to determine whether performance obligations are being met over time or at a specific point in time. Revenue is recognized over time when relevant recognition criteria are met, including when the Group performs work on assets controlled by the customer, or when the performance does not create an asset for which the Group has an alternative use and has an enforceable right to receive consideration for the performance completed to date. In cases where these criteria are not met, revenue is recognized when control is transferred to the customer.

Progress towards fulfilling performance obligations is measured using an appropriate method that reflects the pattern of transferring control to the customer, whether using input or output methods, depending on the nature of each contract. If the contract is expected to incur losses, the full expected losses are immediately recognized in the consolidated statement of profit or loss.

Contract modifications (change orders) are accounted for as part of the existing contract. The effect of the modification is recognized cumulatively within revenues. If the modifications are substantial and add distinct goods or services in their own right and are priced to reflect independent selling prices, then they are accounted for as a separate contract.

Contract Balances

Contract balances arise as a result of the difference between the timing of the execution of performance obligations under contracts with customers and the timing of invoicing or collection of consideration. Contractual assets represent the Group's right to compensation for work performed that has not yet been invoiced, and this right is conditional upon the fulfilment of additional performance obligations. Trade receivables represent the Group's unconditional right to receive payment. They are recognized when the right to payment becomes unconditional except for the passage of time. Contracts assets are reclassified as trade receivables when the corresponding right becomes unconditional. Retentions represent amounts payable to the Group that are held by customers according to contractual terms and are collected upon fulfillment of specific conditions, such as completion of certain project phases or upon completion of the work. Conversely, leases liabilities represent the Group's commitment to transfer goods or services to customers for amounts that were invoiced or collected prior to the fulfillment of those obligations. Leases liabilities do not include unearned rental income arising from operating leases, which is presented separately under the item "unearned revenue" in the consolidated statement of financial position according to the nature of the business, while other leases liabilities are presented under the item "accrued expenses and other payables".

Properties available for sale

The properties available for sale represent properties held for sale within the ordinary course of the Group's business, including ready-to-sell real estate units, properties under development and land held for sale. Properties available for sale are measured at the lower of cost or net realizable value. The cost includes the cost of acquiring the land, development and construction costs and other costs directly related to preparing the properties for sale. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completing the sale. Properties available for sale are classified as current or non-current assets based on the expected timing of their sale. In the event that there are sale agreements signed before the end of the financial period and the transfer of ownership has not been completed by the date of the consolidated statement of financial position, the Group will continue to offer these properties among the properties available for sale until the transfer of control to the buyer is completed.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments properties

Investment properties are properties acquired for the purpose of generating rental income, capital gains, or both, as well as properties held for unspecified future uses, without being intended for sale in the ordinary course of business, or for use in the production or supply of goods or services, or for administrative purposes. Investments properties are measured at cost model. Accordingly, investment properties are recognized at cost less accumulated depreciation and accumulated impairment losses, if any. The fair value of investment properties is disclosed within the notes to the consolidated financial statements. This value is determined based on periodic appraisals, usually on an annual basis, by a professionally qualified appraiser with appropriate experience in the locations and types of properties being appraised. Depreciation is calculated using the straight-line method over the estimated useful lives of the relevant assets in accordance with the policies followed for property and equipment. Land or investment properties under development are not depreciated. Investments properties may include components with varying useful lives, such as elevators, fixtures and utilities, as well as furniture and fixtures associated with the leased units. These components are depreciated over their estimated useful lives each, whenever they constitute essential parts of the property. The cost of investment properties includes the cost of replacing parts of them and borrowing costs related to long-term construction projects, provided that the relevant proof criteria are met. The replaced parts are depreciated over their estimated useful lives. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss when incurred. The recognition of any item of investment property and any substantial part thereof shall cease when it is disposed of or when no future economic benefits are expected from its use or sale. Any gains or losses resulting from the derecognition, which represent the difference between the net proceeds of disposal and the carrying amount of the asset, are recognized in the consolidated statement of profit or loss in the period in which the derecognition is made. Residual values, useful lives and depreciation methods of investment properties are reviewed at the end of each financial period, and any changes to accounting estimates are applied prospectively.

Property and equipment

Property and equipment are tangible assets held for use in the production or supply of goods or services, or for administrative purposes, and are expected to be used for more than one financial period. Property and equipment are recognized when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be reliably measured.

Property and equipment are recognized at cost, which includes the purchase price and any costs directly attributable to acquiring the asset and preparing it for its intended use. The cost includes non-refundable fees, transportation and installation costs and any other costs necessary to place the asset in the condition and location required for its operation. Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are recognized in the carrying amount of the asset or recognized as a separate asset, as appropriate, except when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount is de-recognized for any replaced part. Other repair and maintenance costs are recognized during in the consolidated statement of profit or loss when incurred. Assets under construction or development within capital works-in-progress are recognized at cost, which includes the cost of purchase, construction or development costs and any costs directly attributable to preparing the asset for its intended use. These assets are transferred to the appropriate category of property and equipment when they are ready for use. Borrowing costs related to qualifying assets are capitalized as part of the asset's cost until the asset is ready for its intended use. Major spare parts, spare equipment and maintenance equipment are classified as property and equipment when they meet the definition and conditions for asset recognition; otherwise, they are classified as inventory.

The carrying amount of property and equipment is reviewed when there are indications of an impairment loss. If the carrying amount exceeds the recoverable amount, it is reduced to the recoverable amount and the impairment loss is recognized in the consolidated statement of profit or loss. The derecognition of any item of property and equipment shall cease when it is discontinued or when no future economic benefits are expected from its use or sale. Any gains or losses resulting from the derecognition, which represent the difference between the net proceeds of disposal and the carrying amount of the asset, are recognized in the consolidated statement of profit or loss in the period in which the derecognition is made. Residual values, useful lives and depreciation methods of investment properties are reviewed at the end of each financial period, and any changes to accounting estimates are applied prospectively.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (Continued)

Depreciation is calculated using the straight-line method to distribute the cost of assets less their estimated residual value over their useful lives. Land and assets under construction are not depreciated. Depreciation of the remaining assets is calculated according to their useful lives as follows:

Asset	Useful life	Asset	Useful life
Buildings	40 years	Machinery and equipment	5 years
Furniture and decorations	5 years	Computers	5 years
Vehicles	5 years	leasehold improvement of leased buildings	5 years
Restoration and leasehold improvement of owned buildings	20 years	Infrastructure	20 years
Elevators	20 years	Fire and safety systems	20 years
Air conditions	20 years	other	20 years

Intangible assets

Intangible assets are identifiable non-monetary assets that do not have a physical existence and are held for use in the Group's operations or for administrative purposes. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Research costs are not capitalized, while development costs are capitalized when the relevant recognition criteria are met. Other expenses are recognized in the consolidated statement of profit or loss in the period in which they are incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the estimated useful lives using straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortization method are reviewed at the end of each financial period, and any changes are treated as changes in accounting estimates. Amortization expenses are included in the consolidated statement of profit or loss under general and administrative expenses. Computer software is amortized using the straight-line method over their estimated useful life of five years. Intangible assets that do not have a finite useful life are not amortized, but are tested annually to ensure that there is an impairment, either individually or at the level of the cash-generating unit. The useful life assessment is reviewed annually to ensure its continued validity. Gains or losses resulting from the derecognition of intangible assets are recognized as the difference between the net proceeds of disposal and the carrying amount of the asset, and are included in the consolidated statement of profit or loss in the period in which the derecognition occurs.

Inventory

Inventory represents materials and supplies that are held for use in the ordinary course of the Group's business. Inventory is measured at the lower of cost or net realizable value. The cost is determined using the weighted average method. The cost of inventory consists of the direct costs and other related costs incurred to bring the inventory to its current location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less estimated costs to complete the sale and costs of selling. An impairment of inventory is created when there are indications that the inventory is becoming obsolete, moving slowly, damaged or its net realizable value is less than its cost. A part of the inventory may be held by other parties, in which case the Group continues to recognize the inventory while keeping control and the associated risks and material benefits.

Impairment of non-financial assets

At the end of each financial period, an assessment is made whether there is an indication of an impairment of non-financial assets. If such an indication exists, the asset's recoverable amount is estimated, which represents the higher of the fair value less costs to sell and value in use. If the carrying amount of an asset exceeds its recoverable amount, it is reduced to the recoverable amount and the impairment loss is recognized in the consolidated statement of profit or loss. Impairment losses recognized in prior periods are reviewed if there are indications that the impairment has disappeared or reduced, and the loss is reversed to the extent that the adjusted carrying amount does not exceed the amount that would have been determined if an impairment loss had not been recognized in prior periods.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

At the inception of the lease, it is assessed whether the agreement represents or contains a lease. An agreement is considered a lease if it transfers the right to control the use of a specific asset for a period of time in exchange for consideration. To determine whether a lease includes the right to control the use of a specific asset, consideration is given to whether the lease allows the lessee to obtain economic benefits from the use of the asset, and the ability to direct its use.

The Group as lessee

International Financial Reporting Standard No. (16) "Leases" is applied when recognizing and measuring all leases entered by the Group as a lessee. Exemptions apply to short-term lease and lease of low-value assets, where lease payments related to these leases are recognized as an expense on a straight-line basis over the lease term. Otherwise, the Group recognizes right-of-use assets and leases liabilities.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of leases liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the inception date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Group is reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the termination option. The present value of the lease payments is calculated using the additional borrowing rate at the lease inception date if the implied interest rate in the contract is not easily determinable. After the lease inception date, the carrying amount of the lease liabilities is increased to reflect finance costs and reduced to reflect lease payments made. Leases liabilities are remeasured when there are changes to the contract terms.

The Group as lessor

Leases in which substantially all the risks and rewards of ownership are not transferred from the Group to the lessee are classified as operating leases. The Group enters into leases on its investment property portfolio. Management has determined, based on an evaluation of the terms and conditions of the lease arrangements, that the Group retains substantially all the risks and rewards of ownership of the properties and therefore these are classified operating leases.

Financial charges

Financial charges (borrowing costs) directly attributable to the acquisition, creation or production of a qualifying asset are capitalized as part of the cost of that asset when the asset requires a long period of time to become ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a long period of time to become ready for its intended use or for sale. The capitalization of borrowing costs begins when the Group starts incurring expenditure on the qualifying asset, incurring borrowing costs and undertaking the activities necessary to prepare the asset for its intended use or for sale. The capitalization of borrowing costs is discontinued when the activities necessary to prepare an asset for its intended use or sale are substantially completed. Other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred. These costs include interest and other costs incurred by the Group related to borrowing.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group does not have any derivative financial instruments or hedging arrangements during the current year or the comparative year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Financial assets

Initial measurement and recognition of financial assets

Financial assets are recognized at their creation at fair value, plus the directly associated transaction costs, except for financial assets classified at fair value through profit or loss, where transaction costs are charged to the consolidated statement of profit or loss when incurred. Trade receivables that do not include a significant financing component are recognized at the transaction price.

Subsequent classification and measurement of financial assets

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income, where the Group does not have financial assets measured at fair value through profit or loss during the current or comparative year.

Financial assets are measured at amortized cost when they are held within a business model that aims to hold assets to collect contractual cash flows, and whose contractual terms generate cash flows that represent only payments of the principal amount and the return on the outstanding principal amount. The measurement is made using the effective interest method. This category mainly includes cash and cash equivalents, short-term bank deposits, trade receivables, and some other receivables.

Investments in equity instruments are measured at fair value through other comprehensive income. Changes in fair value are recognized within other comprehensive income. The dividends resulting from these investments are recognized in the consolidated statement of profit or loss when the right to receive them arises. Investments in equity instruments measured at fair value through other comprehensive income are classified as non-current assets, unless they are held for trading or are expected to be terminated within twelve months from the date of the consolidated statement of financial position, in which case they are classified as current assets.

Impairment of financial assets

At the date of each consolidated statement of financial position, an assessment is made whether the financial assets have suffered an impairment. Expected credit losses represent the difference between contractual cash flows due and cash flows that the Group expects to collect. Financial assets are evaluated individually or collectively based on similar credit risk characteristics.

For trade receivables, the simplified method is applied, under which expected lifetime credit losses are recognized from the date of initial recognition. Expected credit losses are estimated based on a model that takes into account the ages of the debts and the nature of the client, considering historical experience of default, current conditions and reasonable and supportive future projections. Where appropriate, consideration is given to the existence of relevant guarantees or contractual rights, the nature of the debtor parties, and indicators of payment delays. As for the remaining financial assets measured at amortized cost, expected credit losses are assessed based on whether there has been a material increase in credit risk since initial recognition. Trade receivables are presented net of the provision for expected credit losses. For investments in equity instruments measured at fair value through other comprehensive income, impairment losses are not recognized independently of other changes in fair value.

Derecognition of financial assets

The recognition of financial assets is cancelled when the contractual rights to receive cash flows from those assets expire, or when they are transferred with a substantial transfer of associated risks and benefits or control thereof.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Financial liabilities

Initial recognition and measurement of financial liabilities

All financial liabilities are recognised initially when the Group becomes party to contractual provisions of the financial instrument. The liabilities are measured initially at fair value.

Loans are measured, at initial recognition, at fair value less directly associated transaction costs. Trade payables and other financial liabilities that do not have a significant financing component are recognized at fair value, which is generally equivalent to the invoice amount due to the absence of a significant financing component.

Subsequent classification and measurement of financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method, as the Group does not have financial liabilities measured at fair value through profit or loss. Financial liabilities mainly include short-term and long-term loans, trade payables, leases liabilities, and other financial liabilities.

For loans, finance expenses are calculated using the effective interest rate method, taking into account the capitalization of borrowing costs related to qualified assets in accordance with the Group's approved financial charges policy. Trade payables, since they do not include a significant financing component, are measured at amortized cost, which is mostly equivalent to the value recognized at the initial recognition due to the short repayment period.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Offsetting between financial assets and financial liabilities is only carried out when the above conditions are met.

Expenditures Analysis

The Group presents expenses in the consolidated statement of profit or loss according to the function of the expense, providing more relevant and reliable information. They are mainly categorized into cost of revenue, general and administrative expenses and selling and marketing expenses.

Cost of Revenue

The cost of revenue represents the direct costs associated with the Group's primarily operating activities, including depreciation or amortization of revenue-related assets, direct operating costs and any other costs directly related to the execution of contracts or the providing services.

General and Administrative Expenses

General and administrative expenses include expenses that are not directly related to the cost of revenue or to sales and marketing activities, such as salaries of administrative staff, office expenses and professional service fees. These expenses include impairment losses of financial assets, including the provision for expected credit losses related to trade receivables and contract balances, as well as impairment losses of other assets where applicable, such as impairment of inventory to net realizable value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Selling and Marketing Expenses

Selling and marketing expenses represent the costs associated with the activities of selling and marketing the Group's products and services. They include advertising and promotion expenses, marketing fees and any other expenses associated with selling and marketing activities.

Accrued expenses and other payables

Accrued expenses and other payables are recognised against liabilities related to goods or services received that have not been paid up to the date of the consolidated statement of financial position, whether invoiced or not, and where the amount of the liability can be reliably measured on an accrual basis.

Refundable deposits

lessees' deposits are recognized as financial liabilities upon receipt from the lessees. These deposits represent sums collected to ensure lessees comply with the terms of their leases and are not recognized as revenue as they are refundable upon fulfillment of the lease terms. These securities are initially recognized at fair value, which is often equal to the amount received because there is no material difference between fair value and amortized cost, and are presented as liabilities in the consolidated statement of financial position.

Dividends

Cash dividends are recognized as liabilities when approved by the authority, making the distribution decision binding in accordance with the regulations applicable in the Kingdom of Saudi Arabia. Dividends are measured by the amount approved for distribution, and this is offset by a reduction in retained earnings of the same value. In the case of dividends that are approved after the date of the consolidated statement of financial position but before the date of approval of the consolidated financial statements, they are not recognized as liabilities, but are disclosed as subsequent events.

Idle lands fees

Idle lands fees represent regulatory liabilities imposed on applicable lands in accordance with the regulations and bylaws in the Kingdom of Saudi Arabia. The extent to which a current liability arises related to idle land fees is assessed in light of the related regulations, including cases where the fees are subject to objection or dispute. When a legal obligation exists and is likely to result in an outflow of economic resources, and the amount of the liability can be reliably measured. The fees are recognized as an expense and liability in the consolidated financial statements. When there is a potential liability where a cash outflow is not likely, a liability is not recognized, and the nature of the situation and associated estimates are disclosed if material. In cases where the likelihood of a cash outflow is unlikely, no liability is recognized or no disclosure is made, unless the standards require otherwise.

Withholding tax

The Group is subject to withholding tax in accordance with the regulations and rules in force in the Kingdom of Saudi Arabia, on payments to non-resident parties for taxable services or benefits, in accordance with the requirements of the relevant tax regulations. When the Group incurs withholding tax on behalf of a non-resident party, the tax is recognized as an expense in the consolidated statement of profit or loss for the period in which it is due. In cases where the tax is withheld from amounts due to non-resident parties, it is not considered an expense for the Group, but rather is supplied to the authority on their behalf. Withholding tax is recognized as a liability when the obligation to which it relates arises, which is usually when the related expense is recognized or when the amount is paid to the non-resident party, whichever is earlier. The withholding tax due is presented as current liabilities in the consolidated statement of financial position until it is remitted to the Authority.

Real estate transaction tax

The Group is subject to real estate transaction tax in accordance with the regulations applicable in the Kingdom of Saudi Arabia, when real estate transactions subject to tax are concluded. Non-refundable real estate transaction tax is capitalized as part of the cost of acquiring the associated asset, where applicable. When a current legal obligation arises relating to property transaction tax, the obligation is recognized by management's best estimate of the amount expected to be paid as of the date of the consolidated statement of financial position. When determining the appropriate accounting treatment, the Group takes into account the regulatory exemptions or exceptions applicable to certain real estate transactions in accordance with the relevant regulations and rules.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Value Added tax (VAT)

The Group is subject to Value Added Tax (VAT) in accordance with the VAT regulations applicable in the Kingdom of Saudi Arabia. Revenues, expenses and assets are recognized net of VAT, except where input tax is not recoverable, in which case it is recognized as part of the cost of acquiring the asset or as an expense, as per its nature requires. Accounts receivable and accounts payable are displayed including VAT. Net VAT debit balances are recognized as current assets, while net VAT credit balances are recognized as current liabilities in the consolidated statement of financial position. Net VAT is settled with the authority in accordance with applicable regulations.

Zakat and tax

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. Zakat is calculated on the accrual basis in accordance with the relevant regulations and rules. One of the subsidiaries is subject to income tax in accordance with the applicable tax regulations. Zakat is recognized as an expense in the consolidated statement of profit or loss for the period to which it relates, and a provision is made against expected zakat liabilities. The impact of income tax relating to that Company is included in the zakat item in the consolidated statement of profit or loss, without being presented as a separate item, provided that such presentation does not affect the relevance and reliability of the financial information. Any differences resulting from the final zakat or tax assessments, if any, are recognized in the period in which those assessments are approved.

Contingent assets and liabilities

Contingent liabilities represent possible obligations arising from past events, the confirmation of which depends on the occurrence or non-occurrence of uncertain future events that are not entirely under the control of the Group, or present obligations that are not recognized because one of the recognition criteria is not available, either because an outflow of resources with economic benefits is not likely, or because the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes when the likelihood of an outflow of economic resources is not remote, and if they are material. As for contingent assets, they are possible assets that arise as a result of past events, and the confirmation of their existence depends on the occurrence or non-occurrence of uncertain future events that are not entirely under the control of the Group. Contingent assets are not recognized in the consolidated financial statements. They are disclosed in the notes when there is a likely inflow of economic benefits, and if they are material. The management reviews contingent assets and liabilities at the end of each financial period, based on the best available information, including legal advice and past experience to ensure that disclosures are adequate and appropriate.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provision is recognised as a liability in the consolidated statement of financial position and the amount of the provision is recognized as an expense in the consolidated statement of profit or loss. The provision is measured as management's best estimate of the amount required to settle the obligation at the date of the statement of financial position, or to transfer it to a third party, taking into account the risk and circumstances surrounding the obligation. The management reviews provisions at each financial period and adjusts them to reflect the current best estimate. Any differences resulting from revaluation are recognized in the consolidated statement of profit or loss in the period in which they arise. If the effect of the time value of money is material, provisions are discounted to their present value using an appropriate discount rate that reflects the risk associated with the liability. The increase in the provision resulting from the passage of time is recognized as finance charges in the statement of profit or loss.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' defined benefits obligations

The Group recognizes obligations for employee end-of-service benefits, which is a defined benefits plan in accordance with the requirements of International Accounting Standard 19 "Employees benefits". These obligations are not funded through separate plan assets. The liability recognized in the consolidated statement of financial position represents the present value of employee defined benefit obligations at the end of the financial period. This obligation is measured using the expected credit unit method by a qualified actuary. The discount rate is determined using market returns on high-quality debt instruments or, if there is no deep market for such instruments, using prevailing interest rates on loans with maturities similar to the commitment period. Current and past service costs, as well as net interest costs resulting from applying the discount rate to the net obligation, are recognized within the consolidated statement of profit or loss and are presented under the relevant functional items according to the nature of the employees' activity. Any changes resulting from plan modifications or reductions are recognized directly in the consolidated statement of profit or loss. Remeasurement of net employee benefits obligation, including actuarial gains and losses resulting from changes in assumptions or actual experience, is recognized in other comprehensive income. Employee benefit obligations are determined based on employees' end-of-service salaries, accrued allowances, and years of service in accordance with the Saudi Arabian Labor Law and related Group policies.

Earnings per share

Group calculates basic earnings per share by dividing the profit or loss attributable to ordinary shares holders in the Parent Company by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding is determined based on the number of shares outstanding at the beginning of the period, adjusted for changes in the number of shares during the period, weighted by the time period of each change. Diluted earnings per share are calculated by dividing the profit or loss attributable to the ordinary shares holders in the Parent Company by the weighted average number of ordinary shares outstanding, adjusted for the effect of all financial instruments that may result in a reduction of earnings per share, if any. The Group does not have any financial instruments with a dilutive effect, therefore basic and diluted earnings per share are equal.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, current account balances at banks available for use without restrictions, short-term bank deposits with an original maturity period of three months or less, and highly liquid short-term investments that can be easily converted into specific cash amounts and are subject to immaterial risk regarding changes in value. The consolidated statement of cash flows is prepared using the indirect method.

Related parties

Related party transactions include the transfer of resources, services, other liabilities, or financing between the inter-Group, and those parties, whether these transactions are conducted on terms that are equivalent to those that would prevail in an arm's length transaction.

Group considers the related party with the company if the person near to the family are as follows:
A) joint control or control of the Group; or
B) Has significant impact on the Group; or
C) Has membership in senior management of the group or the parent company.

Senior management are those who have the power, planning responsibility, direct or indirect control of the Group's business activity, whether directly or indirectly, including members of the Board of Directors.

An entity is considered a related party to the Group if any of the following conditions are met:
A) If the entity and the Group are members of the same Group (i.e., parent company, subsidiary, or affiliate);
B) If the entity is an associate company or a joint venture of the Group, or vice versa;
C) If the entity is subject to control or joint control of the same party that controls the Group;
D) If the entity is subject to control or significant influence of a person who is a related party to the Group;
E) If the entity or any member of its Group provides senior management services to the Group or the Parent Company.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Group's functional currency. Transactions in foreign currencies are recorded at the initial recognition at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the date of the financial statements. The resulting currency differences are recognized in the consolidated statement of profit or loss. Non-monetary denominated in foreign currencies are translated using the exchange rate at the date of the transaction if measured at historical cost, or at the date of fair value determination if measured at fair value.

Segments reports

The operating segment is the one of most important part of the Group:

A) Participates in business activities that may guarantee revenues for him and incur expenses because of them.
B) Its operating results are regularly reviewed by the lead operating decision-maker for the purpose of resource allocation and performance evaluation.
C) Which financial statements are available separately.

Segment information is presented based on internal reports used by management in operational decision-making in accordance with the Group's organizational structure and the nature of its activities. The performance of operating segments is determined and measured based on metrics used internally by management, which may differ from the metrics used in the consolidated financial statements.

For the geographical segment, they represent components that carry out activities within different economic environments that may be exposed to risks and returns that differ from those associated with other environments. Because the Group operates only within the Kingdom of Saudi Arabia, no geographical segments information is presented.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The management assessed the new and amended IFRS issued by the International Accounting Standards Board and endorsed in the Kingdom of Saudi Arabia, in order to determine their impact on the Group's consolidated financial statements, taking into account the nature of its business and its operating environment.

a) First time application of standards, interpretations and amendments during the year

During the current year, the Group adopted the following standards and amendments, which became effective for annual periods beginning on or after January 1, 2025:

- Amendments to IAS (21) - Lack of exchangeability

These amendments clarify how to determine whether a currency is exchangeable with another currency, the mechanism for determining the spot exchange rate in the event of lack of exchangeability, as well as additional related disclosure requirements. The management has assessed the impact of applying these amendments to the consolidated financial statements and concluded that their application did not have a material impact on the Group's consolidated financial statements for the financial year ended December 31, 2025, as the Group's activity is concentrated in the Kingdom of Saudi Arabia and its material transactions are conducted in Saudi Riyals. The limited transactions in US Dollars do not result in material exposure to exchange rate risk.

b) Standards, interpretations and amendments issued but not effective yet

The following are the standards and amendments that are issued up to the date of approval of these consolidated financial statements, which are not effective yet, and which the Group has not applied early on:

- Amendments to IFRS (9) and IFRS (7) - Classification and Measurement of Financial Instruments (effective beginning on or after January 1, 2026).
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective beginning on or after January 1, 2026).
- IFRS (18) - Presentation and Disclosure in Financial Statements (effective beginning on or after January 1, 2026).
- IFRS (19) - Subsidiaries without Public Accountability: Disclosures (effective beginning on or after January 1, 2026).
- Amendments to IFRS (10) and (IAS) 28 - Sale or Contribution of Assets between Investor and Associate or Joint Venture (effective date deferred indefinitely).

The management is assessing the potential impact of applying these standards and amendments to the consolidated financial statements, and does not expect their application to have a material impact on measurement or recognition, although there may be an impact on presentation and disclosure when they are be effective, depending on the nature of the operations in those periods.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated 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. These judgments, estimates and assumptions are based on historical experience, as well as information available at the date of preparation of the consolidated financial statements, taking into account data derived from internal and external sources, including technical reports, independent valuations and observable market data where possible, as well as prevailing economic and market conditions and relevant future expectations. Given the estimated nature of these items, they involve a degree of uncertainty. Actual results may differ from these estimates, which could lead to material adjustments to the carrying amounts of assets or liabilities in subsequent financial periods. The management cannot guarantee that actual results will be in line with these estimates, given that they rely on assumptions about future events that are inherently uncertain and may be beyond the Group's control. The management reviews these judgments, estimates and assumptions periodically in light of available information and subsequent developments. The impact on any changes in accounting estimates is recognized in the period in which the change is made and in relevant future periods. The following are the material judgments exercised by management, as well as key accounting estimates that involve a degree of uncertainty and may have a material impact on the consolidated financial statements.

First: Material Judgments

Going concern

The management conducted a comprehensive assessment of the Group’s ability to continue as a going concern, by preparing financial forecasts and future cash flows that take into account expected operating performance, liquidity levels, financing plans and outstanding contractual liabilities. This assessment was based on assumptions regarding the Group’s ability to generate sufficient cash flows from its operating activities, as well as its ability to obtain the necessary financing when needed. The management did not determine any material uncertainties that may cast doubt on the Group's ability to continue in the foreseeable future. However, this assessment remains inherently sensitive to changes in real estate market conditions, demand levels and project implementation timing, which may affect future cash flows.

Assessing control, joint control and significant influence on investee companies

The management assesses whether the Group exercises control, joint control or a significant influence over the investees, based on a group of factors, including shareholding percentage, voting rights, contractual agreements and the ability to direct related activities. In cases where contractual arrangements are complex or the ownership percentage does not directly reflect the level of control, this assessment requires substantial professional judgment, and differing interpretations of these factors may lead to different accounting treatment.

Classification of investments in equity instruments held at fair value as current or non-current

The management exercises professional judgment when classifying investments in equity instruments measured at fair value based on the Group’s business model and approved investment strategy. The management determines whether these investments are classified as current or non-current, based on the intention to hold them, the investment horizon and the expected termination plans, taking into account the nature of these investments. This assessment requires consideration of a group of relevant factors, including the expected liquidity of the investment, contractual restrictions, if any, prevailing market conditions, as well as the Group’s operational and investment plans at the date of the statement of financial position. This classification may affect the presentation of these investments within current or non-current assets, but it does not affect their measurement at fair value. This judgment remains sensitive to changes in the Group’s investment strategy or in market conditions, which may lead to a reclassification of these investments in subsequent financial periods.

Classification of real estate

Management exercises judgment when classifying real estate as property and equipment, investment properties or properties held for sale, based on the purpose of holding the property, the nature of its use, and the approved operating plans. Given the diversity of the Group’s real estate portfolio, which includes leased properties, projects under development and raw land, including land with unspecified use or subject to regulatory proceedings, this classification requires an ongoing evaluation and the use of material professional judgment. This assessment includes considering how the economic benefits are derived from the property, and any change in the intended use or operating conditions may lead to a reclassification of the property, resulting in a difference in the basis of measurement and accounting treatment.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Classification of Leases – Group as Lessor

The management evaluates the terms and conditions of the lease agreements relating to the leased properties to determine whether they substantially retain all the risks and benefits associated with ownership of the asset. This assessment requires consideration of a group of factors, including the lease term compared to the economic life of the asset, the present value of the lease payments compared to the fair value of the asset, as well as the existence of any purchase options or other contractual terms that may affect the transfer of risks and benefits. Based on this assessment, leases are classified as operating or finance leases. This classification affects the timing and nature of revenue recognition associated with these leases. This judgment may be affected by any changes in the terms of leases or in relevant economic conditions, which may result in a difference in the classification in subsequent financial periods.

Determination of duration of leases

The management exercises significant judgment when determining the term of leases, which represents the non-cancellable period plus periods covered by extension options that the Group is reasonably certain to exercise, or excluding periods covered by termination options that the Group is reasonably certain not to exercise. This assessment requires consideration of all relevant economic and operational factors that may create an incentive to exercise extension or termination options, including the importance of the leased asset to operations, the costs of terminating the lease or replacing the asset, and any material improvements made to the asset. The management reassesses the duration of leases when material events or changes in circumstances occur that are within its control and affect its ability to exercise or not exercise these options. Any changes to these assumptions may result in modifications to the lease term, and consequently affect leases liabilities and right-of-use assets in subsequent financial periods.

Fulfilment of performance obligations

The management evaluates each of its contracts with customers to determine whether performance obligations are met over time or at a specific time, in order to determine the appropriate method of recognizing revenue in accordance with the terms of the contracts and relevant regulatory provisions. Revenue is recognized over time when the customer receives benefits concurrently with the Group's performance, or when the Group creates or enhances an asset controlled by the customer during its creation, or when the asset has no alternative use for the Group and the Group has an enforceable right to receive consideration for the performance performed. Otherwise, revenue is recognized at a specific point in time. Regarding property under development sales contracts, the management considers the applicable standard to be the absence of an alternative use for the asset and the existence of an enforceable right to receive consideration for the completed performance, therefore, revenue is recognized over a period of time. It follows that revenue recognition is based on the percentage of completion, which may not necessarily coincide with the timing of cash flow collected from customers, given the nature of real estate development contracts which may include payment schedules that differ from the pattern of work execution, which reflects the accounting basis for revenue recognition versus the cash basis of collection.

The management measures progress toward meeting performance obligations using the method that best reflects the transfer of control to the customer; these methods include the input method or the output method. In cases where management believes that the efforts made to reliably represent the performance completed, the input method is used, where revenue is recognized based on the percentage of completion calculated based on costs incurred compared to the total estimated costs of the project. Project completion cost estimates include, among other items, construction costs, change orders and costs necessary to meet other contractual liabilities. In other cases, the output method may be used to measure progress towards meeting performance obligations, based on direct performance indicators such as completion reports, technical certifications, or approved completion percentage, when management believes that this method reliably reflects the level of performance completed. Project completion cost estimates are among the essential judgments and estimates of management, and are reviewed periodically and regularly. Any changes in estimated costs, scope of work or timing of project execution may lead to adjustments in the percentage of completion and recognized revenue, and thus may have an impact on the results of subsequent financial periods.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Second: Significant accounting estimates

Net realizable value for properties available for sale

Management estimates the net realizable value of available-for-sale properties in the ordinary course of business to assess the recoverability of their carrying amounts. Net realizable value represents the estimated selling price in the ordinary course of business less completion costs and selling costs. The estimated selling price is determined through a comprehensive analysis of current and anticipated market conditions, including recent transaction prices for similar properties, property location, project nature, demand level, and project status and percentage of completion. Completion costs are estimated based on up-to-date technical studies and operational reports and include construction costs, change orders, and indirect costs necessary to complete and sell the projects. These estimates are based on the best available information at the reporting date, including internal and external data; however, they are subject to a degree of uncertainty, particularly regarding changes in market prices, increases in actual costs, or project delays. Based on management's assessments, no indicators have been identified that would warrant recognizing impairment losses on available-for-sale properties that would have a material impact on the consolidated financial statements. Any changes to these assumptions may result in a decrease in net realizable value from book values, which may necessitate the recognition of impairment losses in subsequent financial periods.

Fair value of investment properties

The fair value of investment properties is measured and disclosed using appropriate valuation methods that reflect the nature of these assets. Fair value is determined based on periodic appraisals prepared by qualified appraisers experienced in real estate valuation, taking into account the nature, location, and current and anticipated uses of the property. The valuation methods employed are primarily income and market approaches, depending on the nature of the property and the availability of observable data. Key assumptions used in the valuation include, among other things, discount rates, capitalization rates, growth rates, future cash flows, and the best possible use of the property under current market conditions. These assumptions are based on market conditions at the valuation date, and actual results may differ from these estimates due to changes in economic, regulatory, or market factors. Most measurements of the fair value of investment properties are classified at Level 3 of the fair value hierarchy because they rely on inputs that are not materially observable. Therefore, determining fair value involves a high degree of professional judgment, and changes in key assumptions may affect estimated fair values in subsequent financial periods. Management reviews the results of independent valuations and compares them with internal data and available market indicators to ensure the reasonableness of the recognized or disclosed fair values. Disclosed fair values are based on available valuations, which reflect market conditions prevailing at the valuation date. Differences between carrying values and fair values may be affected by the nature of the assets, their acquisition history, and changes in market conditions.

Useful life and residual value of depreciable assets

Management estimates the useful lives and residual values of depreciable assets for the purpose of calculating depreciation expense. These estimates are based on the asset's expected use, depreciation patterns, technological obsolescence, and relevant operational and environmental factors. They are reviewed periodically or when there are indications of a change in the asset's use or performance, such as changes in operating plans, utilization levels, or technological advancements. While these estimates are based on the best available information at the reporting date, they are subject to a degree of uncertainty, as actual results may differ due to changes in operating or economic conditions. Any changes in useful lives or residual values may result in adjustments to depreciation expense in subsequent financial periods.

Impairment of non-financial assets

The presence of indicators of impairment of non-financial assets is assessed, and where such indicators exist, the recoverable amount—the higher of fair value less cost of sale and value in use—is estimated using discounted cash flow models. These models rely on key assumptions such as discount rates, future cash flows, and growth rates. These estimates involve a degree of uncertainty, as actual results may differ due to changes in economic, operating, or market conditions. Any changes to these assumptions may necessitate adjustments to recoverable amounts, potentially impacting the results of subsequent financial periods.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Project completion cost estimates

Project completion cost estimates are used to determine percentage of completion and recognized revenue. Progress toward fulfilling performance obligations is measured using an input-based approach, based on the ratio of costs incurred to total estimated costs for each project or contract, reflecting the pattern of performance fulfillment. These estimates include construction costs, change orders, and other costs necessary to meet contractual obligations, including direct and indirect costs associated with project execution. Management also considers the impact of contract modifications when determining total estimated costs and percentage of completion. These estimates are updated periodically based on actual work progress and execution conditions. They are based on the best available information at the reporting date and may be affected by changes in scope of work, actual costs, or execution conditions. Management also assesses whether total estimated costs are expected to exceed anticipated revenue for any project or contract. This assessment is part of the material estimates that may affect the financial period results. Any changes in estimated costs may result in adjustments to the percentage of completion and recognized revenue in subsequent financial periods.

Determining the transaction price

Management determines the transaction price for each of its contracts with customers, which represents the amount of consideration expected to be received for the delivery of the promised goods or services. This requires the use of estimates relating to variable consideration, including discounts, penalties, or contractual incentives, according to the nature and terms of each contract. Variable consideration is estimated using the method that best reflects the amount expected to be received, including the most probable amount method, taking into account historical experience, contract conditions, and relevant future factors. These estimates are based on assumptions about the fulfillment of contractual conditions and the level of performance and may be affected by changes in performance conditions or agreements with customers. Any changes to these estimates may result in adjustments to revenue recognized in subsequent financial periods.

Expected credit losses

Management applies a simplified expected credit loss model to measure impairment losses on trade receivables by grouping them into homogeneous clusters based on credit risk characteristics and the number of days overdue. Expected loss rates are determined based on historical experience of default patterns and adjusted, where appropriate, to reflect available information at the reporting date, including relevant general economic conditions, to the extent that they reflect management's assessment of credit risk. These estimates are primarily based on an analysis of debt aging and historical repayment patterns and are reviewed and updated periodically in light of available information and changes in customer behavior. Management also considers, where appropriate, contractual guarantees for certain balances when assessing credit risk and estimating expected losses, as these guarantees help mitigate exposure to non-collection risk. These estimates involve a degree of uncertainty, as actual results may differ due to changes in customer creditworthiness or economic conditions, particularly in sectors or for customers exhibiting indicators of increased credit risk. These models may also not fully reflect all possible changes in credit risk, especially in the event of unexpected economic fluctuations, which may lead to adjustments in expected credit losses in subsequent financial periods.

Fair value of financial instruments (including non-observable inputs - Level 3)

When active market prices are unavailable, the fair value of financial instruments is determined using appropriate valuation models that rely, to the greatest extent possible, on observable inputs. Where valuations rely on non-observable inputs (Level 3), this requires the use of substantial estimates by management. These estimates include, for example, the determination of expected future cash flows, appropriate discount rates, and assumptions about the future financial performance of the investee, in accordance with the nature of each investment and the data available at the reporting date. These estimates may also require the use of professional judgment to determine the appropriateness of the valuation models used and their representation of fair value under current market conditions. While these estimates are based on the best available information at the reporting date, they involve a degree of uncertainty because they rely on assumptions that are not directly observable. Any changes to these assumptions could have a material impact on the estimated fair values and, consequently, on the results of subsequent financial periods.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Zakat

Determining the zakat provision requires the use of substantial judgments and estimates by management when calculating the zakat base and zakatable profit in accordance with the zakat collection regulations applicable in the Kingdom of Saudi Arabia, which are subject to several interpretations and practical applications. These estimates are based on management's interpretation of the regulations and instructions issued by the Zakat, Tax and Customs Authority, as well as followed practices, taking into account the nature of the group's activities and transactions. The final zakat assessment may differ from the amounts estimated and recognized in the consolidated financial statements due to the results of zakat audits or the settlement of objections. Differences may also arise from variations in interpretation or application between management and the relevant authorities, which may lead to adjustments to the zakat provision in subsequent financial periods.

Provisions

Determining provisions requires management to use substantial judgment and estimates, particularly regarding the assessment of the likelihood of a present obligation requiring cash outflows, and the estimation of the amount and timing of the cash outflows needed to settle that obligation. These estimates are based on the best available information at the reporting date, including the nature of the obligation, past experience, legal opinions and advice, where appropriate, and other relevant factors. These estimates involve a degree of uncertainty, particularly in cases involving contingent liabilities, legal issues, or uncertain claims, where actual results may differ from the estimates. Management reviews provisions periodically and updates them as new information becomes available. Any change in the estimates may result in adjustments to the amounts recognized in subsequent financial periods.

Idle lands fees

Assessing liabilities related to idle lands fees requires the use of substantial judgments and estimates by management, particularly regarding determining whether the Group's land is subject to the fees in accordance with applicable regulations and assessing whether a current liability has arisen that would require recognition of an expense and liability in the financial statements. This includes assessing the likelihood of the liability arising under the circumstances of each case. These estimates include evaluating the regulatory status of the land, its uses, and its subjection to fees, as well as examining cases where the fees are subject to objection or dispute with the relevant authorities. These estimates are based on management's interpretation of applicable regulations and instructions, and on the best available information at the reporting date and may be affected by changes in regulations or their interpretation, or by the outcome of objections or disputes. These estimates involve a degree of uncertainty, and any changes in assumptions or the outcome of regulatory proceedings may result in adjustments to the amounts recognized in subsequent financial periods.

Employees' defined benefits obligations

Employee defined benefit obligations are determined using actuarial valuations that require management to make significant assumptions. These assumptions include the discount rate, future salary and benefit increases, employee turnover rates, and mortality rates, based on the best available information at the reporting date. Due to their long-term nature, these estimates involve a degree of uncertainty, as actual results may differ from the assumptions due to changes in economic or demographic conditions. These obligations are also inherently sensitive to changes in the actuarial assumptions used. These assumptions are reviewed periodically, and any changes may affect the amount of the obligation recognized in subsequent financial periods.

Leases - Incremental borrowing rate

When the interest rate implicit is not provided in the lease, management uses the incremental borrowing rate to determine lease obligations, which requires substantial judgment and estimation. Given the nature of some long-term leases with unusually long durations, determining an appropriate rate requires professional judgment, as direct market data for similarly long-term financing is not readily available. Accordingly, management relies on observable market information, including relevant benchmark rates, and makes adjustments to reflect the lease term, the nature of the leased assets, and the group's financing characteristics. These estimates are based on the best available information at the time and involve a degree of uncertainty due to the nature of the assumptions used, particularly regarding the alignment of market data with long-term leases. Any changes to these assumptions or to market conditions may result in adjustments to lease obligations in subsequent financial periods.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

7. SEGMENT INFORMATION

For management purposes, the Group's operational segments have been determined based on internal reports that are regularly reviewed by the key operational decision-maker for the purpose of allocating resources and assessing performance. The Group's operations are organized primarily based on the nature of the products and services rendered, and its operational sectors for which reports are prepared are as follows:

A) Rental Sector
B) Property sales sector
C) Infrastructure projects sector
D) Construction projects sector
E) Facility management sector
F) Head Office

The operating segment performance is evaluated based on total profit / (loss), which is the indication used by management to evaluate performance and making decisions regarding resource allocation. Certain general operating expenses, including general and administrative expenses and marketing expenses, as well as finance charges, revenue and other expenses, are recorded and track on a lump-sum basis and are not allocated to operating sectors. This is because such allocation does not reliably reflect the actual performance of each segment. Assets and liabilities are not presented at the operating segment level. They are managed and tracked according to the accounting records of the legal entities, including mortgaged real estate related to financing arrangements. Their performance is not reviewed or evaluated on a segment basis by the principal operating decision-maker but is considered within the overall financial position of the Group. The material activities of the Group are carried out within the Kingdom of Saudi Arabia, and therefore the Group does not present separate geographical information. The following is a summary of the financial information for the operating segments, which is consistent with the Group's consolidated financial statements for the financial year ended December 31:

	Rental	Property sales	Infrastructure projects	Construction projects	Facility management	Total
2025						
Revenue	366,873	644,520	781,246	4,140	83,306	1,880,085
Cost of revenue	(150,735)	(338,344)	(452,895)	(48,172)	(67,042)	(1,057,188)
Gross profit / (loss)	**216,138**	**306,176**	**328,351**	**(44,032)**	**16,264**	**822,897**
2024						
Revenue	337,995	565,802	974,421	47,701	61,749	1,987,668
Cost of revenue	(145,791)	(297,267)	(729,771)	(56,702)	(48,804)	(1,278,335)
Gross profit / (loss)	**192,204**	**268,535**	**244,650**	**(9,001)**	**12,945**	**709,333**

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

9. INVESTMENT PROPERTIES

	Lands	Buildings	Fittings and decorations	Capital work-in-progress	Total 2025	Total 2024
Cost:						
On 1 January 2025	**3,862,128**	**1,601,672**	**644,531**	**504,668**	**6,612,999**	6,452,802
Additions	**-**	**89**	**1,819**	297,486	**299,394**	165,006
Transferred to properties available for sale	(44,893)	**-**	**-**	-	**(44,893)**	(4,809)
Transferred to an associate	(17,467)	**-**	**-**	-	**(17,467)**	-
On 31 December 2025	**3,799,768**	**1,601,761**	**646,350**	**802,154**	**6,850,033**	6,612,999
Depreciation:						
On 1 January 2025	**-**	**676,281**	**398,027**	-	**1,074,308**	1,018,636
Charge for the year	-	34,113	45,457	-	79,570	55,672
On 31 December 2025	**-**	**710,394**	**443,484**	-	**1,153,878**	1,074,308
Net book value:						
On 31 December 2025	**3,799,768**	**891,367**	**202,866**	**802,154**	**5,696,155**	
On 31 December 2024	3,862,128	925,391	246,504	504,668		5,538,691

The whole depreciation expense of investments properties was charged to the cost of revenues, given that these assets are directly linked to revenue generation.

As set out in the material accounting policies, the investment properties are stated at cost less accumulated depreciation and accumulated impairment, if any. The fair value of investments properties based on valuation performed by qualified valuers Barcode Firm (independent valuer accredited by Saudi Authority for Accredited Valuers), who are specialist in valuing these types of investments properties. This valuation indicate that the fair value of investments properties is materially higher than its book value, exceeding SR 15 billion as of 31 December 2025 (31 December 2024: SR 16 billion). As at the date of consolidated statement of financial position, investments properties include assets with book value of SR 3.3 billion (2024: SR 3.2 billion) were mortgaged against loans and credit facilities granted to the Group. Investments properties include constructed buildings and works in progress with book value amounting SR 758 million as of December 31, 2025 (2024: SR 691 million) constructed on a leased land from the High Commission for the Development of Al-Riyadh under contracts between 28 years and 99 years. The management believes that these assets are used or are being developed for the purpose of generating rental income by leasing them to others, or making them available for future leasing, in line with the Group's business model.

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, 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 to treat these reasons to allow the use of these lands. The impact on the recoverable amount of these lands is still uncertain and depend on the results of the study by the assigned committees. The management does not expect the Company to incur any losses related to this matter. The book value of these lands amounted to SR 438 million as of 31 December 2025 (2024: SR 438 million) while the fair value has exceeded SR 1.6 billion as of 31 December 2025 (2024: SR 1.7 billion) as per the above-mentioned valuators.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

8. PROPERTY AND EQUIPMENT

	Buildings	Machinery & equipment	Furniture & decorations	Computers	Vehicles	Total 2025	Total 2024
Cost:							
On 1 January 2025	**12,628**	**103,220**	**35,223**	**17,155**	**15,735**	**183,961**	182,640
Additions during the year	-	2,220	17,032	1,358	831	**21,441**	7,928
Disposals during the year	-	(131)	(1,293)	(697)	(1,646)	**(3,767)**	(6,607)
On 31 December 2025	**12,628**	**105,309**	**50,962**	**17,816**	**14,920**	**201,635**	183,961
Depreciation:							
On 1 January 2025	**8,418**	**97,259**	**24,205**	**13,479**	**11,998**	**155,359**	152,636
Charge for the year	313	3,150	6,864	1,977	1,908	**14,212**	7,687
Disposal during the year	-	(104)	(1,282)	(697)	(1,401)	**(3,484)**	(4,964)
On 31 December 2025	**8,731**	**100,305**	**29,787**	**14,759**	**12,505**	**166,087**	155,359
Net book value:							
On 31 December 2025	**3,897**	**5,004**	**21,175**	**3,057**	**2,415**	**35,548**	
On 31 December 2024	4,210	5,961	11,018	3,676	3,737		28,602

Depreciation expense was charged to the items of the consolidated statement of profit or loss according to the nature of the use, where charged to the cost of revenues amounted to SR 10,158 thousand for the fiscal year ending on December 31, 2025 (December 31, 2024: SR 5,919 thousand), while charged to general and administrative expenses amounted to SR 4,054 thousand (December 31, 2024: SR 1,768 thousand).

9. INVESTMENT PROPERTIES (Continued)

B) Al Widyan project

During 2021, management was informed by the relevant government agencies that 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 in the original project plan and the recoverable amount of the land. The impact of this study remains uncertain and depends on the complete study by the government agencies and future developments in the area. In any case, management does not expect the Company to incur any losses related to this matter. The book value of the land and capital works-in-progress as at December 31, 2025 amounted to SR 2.9 billion (2024: SR 2.9 billion) while the fair value amounted more than SR 7 billion as at December 31, 2025 (2024: SR 8 billion) as per the above-mentioned valuators.

10. Debt instruments at amortized cost

During 2016, the Group entered into an agreement with Al Bayan Holding Group Company to invest in debt instruments at amortized cost. The Group claimed Al Bayan Holding Group Company to pay its financial liabilities that exceed the amount of SR 206 million, but the latter did not respond to that. During the year 2021, the Group has filed a lawsuit against the Company and a final ruling was issued to dismissing the lawsuit. Accordingly, during the year 2022, the Group has filed a lawsuit against the investment guarantor, and a preliminary verdict was issued to dismiss the lawsuit for submitting it prematurely. The Group has objected the verdict, and a verdict was issued by the Appeal Court overruling the initial verdict and obliging the Commercial Court to hear the case. during the financial year 2024, the Court of Appeal issued a final ruling obligating the investment guarantor to pay the amount of SR 187.5 million to the Group. The Group submitted a request to implement the ruling to the Enforcement Court, and the implementation request is still pending as at the date of consolidated financial statements.

11. INVESTMENT IN AN ASSOCIATE AND INVESTMENT IN A JOINT VENTURE

The investment in the associate and investment in the joint venture as of December 31 consists of the following:

	2025	2024
Riyadh Holding Company	**297,306**	298,792
Tilal Towers Development Real Estate Company	**61,405**	-
InfraRoad Contracting Company Ltd.	**60,416**	13,481
	419,127	312,273

The following is a summary of movement in investments in the associates and joint ventures during the year ended December 31:

	2025	2024
At the beginning of the year	**312,273**	295,349
Cash investments during the year	**43,938**	2,975
Transferred from investments properties during the year	**17,467**	-
Share of profits for the year	**60,170**	55,614
Share of other comprehensive loss	**(4,722)**	(31,666)
Dividends received during the year	**(9,999)**	(9,999)
At the end of the year	**419,127**	312,273

11. INVESTMENT IN AN ASSOCIATE AND INVESTMENT IN A JOINT VENTURE (Continued)

Riyadh Holding Company

Riyadh Holding Company was incorporated during 1986, is a limited liability company registered in Riyadh in the Kingdom of Saudi Arabia. In the date of consolidated statement of financial position, the share capital of the Company amounted to one billion Saudi Riyals. The Group's share amounted to SR 166.666 million representing 16.67% in Riyadh Holding Company. The Company is classified as an associate company because the Group has a material influence over it. This investment is accounted for using equity accounted investees method in these consolidated financial statements. The management believes that this investment is of strategic importance within the Group's investment portfolio, in light of the nature of the ownership of the investee company and the associated operating environment.

The following is a summary of the statement of financial position of Riyadh Holding Company as at December 31.

	2025	2024
Current assets	**528,083**	861,126
Non-current assets	**2,332,400**	1,975,527
Current liabilities	**(156,103)**	(135,527)
Non-current liabilities	**(920,537)**	(908,369)
Equity	**1,783,843**	1,792,757
Group's share in equity – 16.67%	**297,306**	298,792

Tilal Towers Development Real Estate Company

Tilal Towers Development Real Estate Company was incorporated during second half of 2024, is a limited liability company registered in Riyadh in the Kingdom of Saudi Arabia. The share capital of the Company amounted to SR 100 thousand. The Group's share amounted to SR 25 thousand representing 25% in Tilal Towers Development Real Estate Company. This investment did not have a material financial impact on the consolidated financial statements for the year ended December 31, 2024. The Company aims to develop educational complexes on land owned by the partners, During the period following its establishment, ownership of that land was transferred to the Company to enable it to carry out its activities. The partners injected additional contributions during the year ended December 31, 2025 to finance the project's development business, in proportion to their ownership percentages. The Company is classified as an associate company because the Group has a material influence over it. This investment is accounted for using equity accounted investees method in these consolidated financial statements. The management believes that this investment is in line with the nature of the Group's activities and enhances the diversification of its investments in the real estate sector.

The following is a summary of the statement of financial position of Tilal Towers Development Real Estate Company as at December 31:

	2025	2024
Current assets	**32,087**	-
Non-current assets	**227,632**	-
Current liabilities	**(14,099)**	-
Equity	**245,620**	-
Group's share in equity – 25%	**61,405**	-

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

11. INVESTMENT IN AN ASSOCIATE AND INVESTMENT IN A JOINT VENTURE (Continued)

InfraRoad Contracting Company Ltd.

InfraRoad Contracting Company Ltd. was incorporated during second half of 2023, is a limited liability company registered in Riyadh in the Kingdom of Saudi Arabia. In the date of consolidated statement of financial position, the share capital of the Company amounted to SR 6 million. The Group's share amounted to SR 3 million representing 50% in InfraRoad Contracting Company Ltd. The Group, through one of its subsidiaries, entered into this joint venture with InfraRoad Contracting Company Ltd. to carry out infrastructure works for one of the major projects in Riyadh, the Kingdom of Saudi Arabia. This investment is classified as a joint venture due to the shared control between the parties. Joint venture is accounted for using the equity accounted investees method in these consolidated financial statements.

The following is a summary of the statement of financial position of InfraRoad Contracting Company Ltd. as at December 31:

	2025	2024
Current assets	**426,564**	259,590
Non-current assets	**76,696**	45,972
Current liabilities	**(381,650)**	(278,293)
Non-current liabilities	**(778)**	(307)
Equity	**120,832**	26,962
Group's share in equity – 50%	**60,416**	13,481

12. INVESTMENT IN EQUITY INSTRUMENTS DESIGNATED AT FVOCI

	Ownership		Fair value	
	2025	2024	**2025**	2024
Economic Knowledge City Developers	**9.48%**	9.48%	**89,818**	117,189
Um Al Qura Company for Development and Reconstruction	**0.31%**	0.76%	**77,201**	173,143
Dar Al Tamleek Company	**9.18%**	9.18%	**50,820**	56,401
Kinan International Real Estate Development Company	**2.11%**	2.11%	**73,363**	42,078
United Arabian Flat Glass Company	**4.10%**	4.10%	**22,283**	26,461
Taiba Investment Company	**0.001%**	0.001%	**39**	50
			313,524	415,322

The movement of investments in equity instruments designated at FVOCI was as follows:

	2025	2024
At the beginning of the year	**415,322**	366,397
Net change in fair value	**31,324**	49,880
Disposals during the year	**(133,122)**	(955)
At the end of the year	**313,524**	415,322

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

12. INVESTMENT IN EQUITY INSTRUMENTS DESIGNATED AT FVOCI (Continued)

The investment in Um Al Qura Company for Development and Reconstruction was classified as current assets, in light of the management's intention to terminate from this investment within the twelve months following the date of the consolidated statement of financial position, which is in line with the partial sales that carried out during the year, and in accordance with the investment management strategy adopted by the Group. The following is a classification of investments held at FVOCI in the consolidated statement of financial position:

	2025	2024
Current assets	**77,201**	-
Non-current assets	**236,323**	415,322
	313,524	415,322

The following is a statement of dividends received from the Group's investments in equity instruments held at FVOCI during the financial year ended December 31:

	2025	2024
Dar Al Tamleek Company	**-**	2,203
Kinan International Real Estate Development Company	**1,769**	1,642
United Arabian Flat Glass Company	**696**	-
Taiba Investment Company	**1**	1
	2,466	3,846

13. RIGHT-OF-USE ASSETS

The Group entered into several lease agreements, mainly relating to land in the Diplomatic Quarter of Riyadh, Kingdom of Saudi Arabia, with terms ranging between 28 and 99 years. Other group-wide leases include shorter-term lease arrangements, generally not exceeding five years. These leased assets are used in the Group's operating activities. The following is the book value of the right-of-use assets and the changes thereto during the financial year ended December 31:

	2025	2024
Balance at the beginning of the year	**210,708**	136,855
Addition during the year	**3,162**	76,591
Deprecation charged during the year	**(8,986)**	(2,738)
At the end of the year	**204,884**	210,708

The following table illustrate the distribution of depreciation expense for right-of-use assets recognized in the consolidated statement of profit or loss for the financial year ended December 31:

	2025	**2024**
Cost of revenue	**6,336**	1,400
General and administrative expenses	**2,650**	1,338
	8,986	2,738

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

14. PROPERTIES AVAILABLE FOR SALE

The properties available for sale represent land and real estate units under development or ready for sale within the ordinary course of the Group's business. They are measured at the lower of cost and net realizable value in accordance with the approved accounting policies. In general, management does not consider any material indications that the impairment of the properties available for sale has fallen below their book values as at the date of the consolidated statement of financial position, in light of the available analyses and assessments. In some limited cases, differences may appear between the cost and net realizable value of certain properties, but the management considers their impact are immaterial on the consolidated financial statements as a whole. During the preparation of the consolidated financial statements for this current year, management has re-presented the item of developed properties as properties available for sale, in order to better reflect the nature of this properties, without any change in the basis of measurement or accounting treatment. Properties available for sale are classified as current or non-current assets based on the expected timing of their sale, taking into account the nature of the project, its development stage and management's termination plans, in line with the Group's ordinary course of business. The table below shows the classification of the properties available for sale in the consolidated statement of financial position:

	2025	2024
Current assets	**243,603**	267,327
Non-current assets	**386,705**	381,269
	630,308	648,596

Below is a breakdown of the properties available for sale as at 31 December:

	2025	2024
Cost of ready-to-sale units	**17,942**	17,942
Cost of land available for sale	**572**	-
Cost of land and capital works in-progress related to developed properties	**611,794**	630,654
	630,308	648,596

15. PREPAID EXPENSES AND OTHER RECEIVABLES

	2025	2024
Advanced payments to suppliers	**29,018**	65,059
VAT receivables	**41,374**	30,841
Bank guarantees	**16,668**	34,998
Due from related parties (Note 32)	**169,677**	157,293
Contract assets	**58,373**	64,152
Others	**9,020**	17,439
Impairment provision for prepayments and other debit balance	**(14,936)**	(21,350)
	309,194	348,432

A provision is made against certain other debit balances when there are indications of reduced recoverability, based on management's assessment of the nature and age of these balances, and reflecting the best estimate available at the date of preparation of the consolidated financial statements. The summary of movement in the provision for impairment of other debit balance is as follows:

	2025	2024
At the beginning of the year	**21,350**	16,565
Provided during the year	**-**	4,785
Provision no longer required and reversed in other income	**(6,414)**	-
	14,936	21,350

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

16. TRADE RECEIVABLES

	2025	2024
Total trade receivables	**344,313**	664,887
Allowance for expected credit losses	**(144,540)**	(134,203)
	199,773	530,684

Management applies a simplified expected credit loss model to measure the provision for impairment losses on trade receivables based on historical experience of default patterns and debt aging analysis, adjusting it, where appropriate, to reflect information available at the date of preparation of the consolidated financial statements, including related economic conditions. A summary of movement in the allowance for expected credit losses during the year ended December 31, is as follows:

	2025	2024
At the beginning of the year	**134,203**	125,912
Provided during the year	**13,464**	8,291
Written off debts during the year	**(3,127)**	-
At the end of the year	**144,540**	134,203

As of 31 December, the analysis of receivables aging is set out below:

	Total	**1-90 days**	**91-180 days**	**181–270 days**	**271– 365days**	**More than one year**
2025	**344,313**	**109,653**	**21,587**	**24,224**	**13,780**	**175,069**
2024	664,887	506,647	22,892	12,772	13,281	109,295

In light of the nature of some existing contracts and arrangements with customers, management does not believe that all overdue balances necessarily reflect a weakness in collectability or an increase in credit risk.

17. CASH AND CASH EQUIVALENTS

	2025	2024
Cash at banks and on hand	**752,604**	796,758
Short-term deposit	**800,000**	280,000
	1,552,604	1,076,758

As at the date of consolidated statement of financial position, cash balances include an amount of SR 458 million (2024: SR 595 million) for advances received from customers as per arrangements for sale of properties under development which are deposited into restricted bank accounts in accordance with the relevant regulatory requirements. These balances are used to finance related projects, and the Group may, after obtaining the necessary approvals from the competent authorities, withdraw any surplus beyond the needs of those projects. The full balances can be withdrawn after the completion of the projects associated with them, in accordance with the applicable regulations.

Short-term bank deposits are deposits with local banks with an original maturity period less than three months from the date of deposit. They can be easily converted into cash and are subject to immaterial risks of change in value, and therefore they are classified as cash and cash equivalents. While deposits with maturities more than three months from the date of deposit and with a maturity period within twelve months from the date of the consolidated statement of financial position are presented as a separate item within current assets under the name of time deposits.

Bank deposits with the Group are made in accordance with banking products approved by the Sharia committees of the relevant banks, and generate returns that are included in the consolidated statement of profit or loss within other income under the name of financial revenues, while cash balances with banks do not generate any returns.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

18. SHARE CAPITAL

The share capital of Saudi Real Estate Company amounting to SR 3,750 million as of December 31, 2025 (2024: SR 3,750 million) consists of 375 million shares (2024: 375 million shares) of SR 10 each. The share capital was increased during the year ended December 31, 2022, from SR 2,400 million to SR 3,750 million. This increase resulted in a share premium of SR 222.7 million.

19. STATUTORY RESERVE

The statutory reserve included in the consolidated financial statements, with a balance of SR 720 million as at December 31, 2025, was established in accordance with the previous Companies' Law and the previous Articles of Association of the Company. As a result of amendments to the Companies' Law and the Company's Articles of Association, the requirement to set aside a statutory reserve was cancelled. Therefore, the existing balance of the statutory reserve remains within shareholders' equity without any action being taken regarding it, pending a decision by the General Assembly.

20. CONTRACTUAL RESERVE

The contractual reserve included in the consolidated financial statements, with a balance of SR 10.051 million as at December 31, 2025, was established in accordance with the previous Articles of Association of the Company. As a result of amendments to the Company's Articles of Association, the requirement to set aside a contractual reserve was cancelled. Therefore, the existing balance of the contractual reserve remains within shareholders' equity without any action being taken regarding it, pending a decision by the General Assembly.

21. OTHER RESERVES

Other reserves consist of other accumulated comprehensive income items, the movement of which is presented in the consolidated statement of changes in equity. At the date of the consolidated statement of financial position, these include the following:

	2025	2024
Reserve of change in fair value of Investments in financial instruments	**79,444**	130,948
Reserve of remeasurement on employees' defined benefit obligations	**(5,751)**	(2,471)
	73,693	128,477

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

22. NON-CONTROLLING INTERESTS

	Saudi Real Estate Infrastructure Company	**Saudi Korean Company for Maintenance and Properties Management**	**Total**
Non-controlling interests December 31, 2025	**40%**	**40%**	
Total assets	**1,101,758**	**82,013**	**1,183,771**
Total liabilities	**(377,679)**	**(37,155)**	**(414,834)**
Equity (Net Assets)	**724,079**	**44,858**	**768,937**
Net assets attributable to non-controlling interest	**289,632**	**17,943**	**307,575**
Year ended December 31, 2025			
Net profit for the year	**321,048**	**13,377**	**334,425**
Other comprehensive loss	**(4,436)**	**(385)**	**(4,821)**
Total comprehensive income	**316,612**	**12,992**	**329,604**
Net income for the year	**128,419**	**5,351**	**133,770**
Net income attributable to non-controlling interests	**126,645**	**5,197**	**131,842**

	Saudi Real Estate Infrastructure Company	Saudi Korean Company for Maintenance and Properties Management	Total
Non-controlling interests December 31, 2024	40%	40%	
Total Assets	916,719	54,929	971,648
Total Liabilities	(439,251)	(23,061)	(462,312)
Equity (Net Assets)	477,468	31,868	509,336
Net assets attributable to non-controlling interest	190,987	12,746	203,733
Year ended December 31, 2024			
Net profit for the year	213,243	14,122	227,365
Other comprehensive loss	(3,004)	(67)	(3,071)
Total comprehensive income	210,239	14,055	224,294
Net income for the year	85,297	5,648	90,945
Net income attributable to non-controlling interests	84,096	5,621	89,717

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

23. TERM LOAN

During 2015, the Group obtained term loan from a local bank. In June 2022, the Group rescheduled the loan, provided that the loan principal amounting to SR 2.068 billion will be repaid in equal semi-annual instalments over eight years after a four-year grace period from the date of the rescheduling agreement. The first instalment will be paid on December 2026 and the last instalment is paid on June 2034. The loan complies with the Sharia committee of the bank and is subject to prevailing commission rates among Saudi banks (SIBOR) plus an agreed profit margin. The Group has mortgaged a some of land as a guarantee in exchange for this loan. The management believes that it has the willingness, ability and financial solvency to repay the loan in accordance with the terms of the agreement and within the agreed dates. Term bank loans have been classified within current and non-current liabilities according to the loan repayment dates based on the agreements signed with the lending banks as follows:

	2025	2024
Non- current portion	**129,279**	-
Current portion	**1,939,183**	2,068,462
	2,068,462	2,068,462

During 2025, the Group has signed an agreement of bank facilities with a local bank with a total value of SR 700 million, in order to finance its existing and new projects and support working capital requirements. The loan complies with the Sharia committee. These facilities have not been utilized as of the date of the consolidated statement of financial position. The Group has provided guarantees for these facilities, including promissory notes and mortgages on some of its real estate.

24. LOAN FROM MINISTRY OF FINANCE

The following is a summary of the movement on the loan from Ministry of Finance during the year ended December 31:

	2025	2024
At the beginning of the year	**914,889**	1,058,657
Paid during the year	**(156,838)**	(143,768)
At the end of the year	**758,051**	914,889

The loan agreement is subject to the financial and non-financial covenants including debt-to-equity ratio, current assets-to-current liabilities (liquidity ratio), debt coverage ratio and providing guarantees that comprise a mortgage property on some of the Group's properties. The Group has not breached any of these covenants as of the date of the consolidated statement of financial position. The management believes that it has the willingness, ability and financial solvency to repay the loan in accordance with the terms of the agreement and within the agreed dates, the last instalment of which is due during the year ended December 31, 2029. Accordingly, the portion due within the next twelve months was classified as current liabilities, while the remaining portion was classified as non-current liabilities, as follows:

	2025	2024
Current portion	**169,908**	156,838
Non- current portion	**588,143**	758,051
	758,051	914,889

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

25. LEASES LIABILITIES

The following is the present value of the lease liabilities and a summary of the changes thereto during the financial year ended December 31:

	2025	2024
At the beginning of the year	**240,249**	152,430
Additions during the year	**3,162**	76,591
Finance charges related to leases liabilities (note 37)	**14,413**	13,364
Paid during the year	**(4,250)**	(2,136)
At the end of the year	**253,574**	240,249

Leases liabilities are linked to the relevant right-of-use assets as stated in Note (13). The management believes that the Group's projected cash flows are sufficient to meet its lease liabilities in accordance with the terms of the agreements and within the agreed timeframes. The balance of leases liabilities was classified under current and non-current liabilities according to the contractual payment schedules, as follows:

	2025	2024
Current liabilities	**20,150**	13,701
Non- current liabilities	**233,424**	226,548
	253,574	240,249

26. EMPLOYEES DEFINED BENEFIT OBLIGATIONS

The Group grants end of service benefits to its employees taking into consideration the Saudi Arabian labour law and approved policy. These benefits have been classified as defined benefits, are unfunded and are based primarily on years of service and employee compensation. The Group's liabilities are subject to demographic, legal and economic risks. Economic risks are primarily linked to changes in the discount rates used to measure liabilities, as well as developments in financial markets and salary levels. The following is a summary of the basic actuarial assumptions:

	2025	2024
- Net discount rate	**4.95%**	**5.25%**
- Salary growth rate	**5.95%**	**7.00%**
- Retirement age	**65 years**	65 years
- Mortality rates	**WHO GHO Saudi Arabia life table**	WHO GHO Saudi Arabia life table

The following is a summary of the movement in the present value of defined benefit liabilities and a summary of the changes therein during the financial year ended December 31:

	2025	2024
At the beginning of the year	**42,250**	31,748
Current service cost	**13,558**	10,741
Commission cost	**2,347**	1,583
Actuarial loss	**5,283**	4,037
Benefits paid during the year	**(2,675)**	(5,859)
At the end of the year	**60,763**	42,250

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

27. SHORT-TERM BANK LOAN

During year ended December 31, 2024, the Group obtained a short-term loan of SR 100 million from a local bank, and this loan was secured by a promissory note. The loan was fully repaid during the first quarter of the year ended December 31, 2025. The following is a summary of the movement on the short-term bank loan during the year ended December 31:

	2025	2024
At the beginning of the year	**100,000**	-
Proceeds during the year	**-**	100,000
Paid during the year	**(100,000)**	-
At the end of the year	**-**	100,000

28. TRADE PAYABLES

	2025	**2024**
Payable to suppliers and contractors	**62,721**	96,280
Retentions payable to contractors	**86,875**	92,155
	149,596	188,435

29. UNEARNED REVENUE

	2025	**2024**
At the beginning of the year	**87,781**	101,668
Amounts invoiced during the year	**364,283**	324,108
Rental revenue recognized during the year (note 33)	**(366,873)**	(337,995)
At the end of the year	**85,191**	87,781

30. ACCRUED EXPENSES AND OTHER PAYABLES

	2025	**2024**
Accrued expenses	**47,958**	129,356
Employees payable	**39,993**	47,976
Refundable deposits	**44,231**	42,313
Contract liabilities	**234,978**	266,383
Dividends payable	**8,580**	8,602
Due to related parties (note 32)	**-**	616
Others	**8,880**	30,631
	384,620	525,877

31. Zakat provision

The movement in provision for Zakat for the year ended December 31 is as follows:

	2025	**2024**
At the beginning of the year	**78,355**	85,959
Provided during the year	**61,677**	17,818
Paid during the year	**(91,249)**	(25,422)
At the end of the year	**48,783**	78,355

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

31. Zakat provision (Continued)

Zakat assessments

Saudi Real Estate Company

Saudi Real Estate Company calculates and submits its zakat returns based on a zakat group that includes the Company and its wholly owned subsidiaries in accordance with the relevant regulations and instructions. During the year ended December 31, 2025, the Company finalized its zakat status with ZATCA until the year ended December 31, 2023 including payment of differences due resulting from zakat assessments for those years. The Company has submitted the zakat return for the year ended December 31, 2024, and paid the zakat due, and obtained a zakat certificate valid until April 30, 2026, and no assessment has been issued regarding it by ZATCA to date.

Saudi Real Estate Construction Company

The Company submitted zakat / income tax returns for all years up to the year ended December 31, 2021 to ZATCA. the Company finalized its zakat status with ZATCA until the year ended December 31, 2019. The Company submits information declare for the year ended December 31, 2022, for the purposes of the disclosure as the Company became paying its zakat obligations within consolidated declaration of Saudi Real Estate Company.

Saudi Real Estate Infrastructure Company

The Company submitted zakat returns for all the years until year ended December 31, 2024. And based on that, the amounts due has been paid according to those returns, and no assessment has been issued regarding it by ZATCA to date.

Saudi Korean Company for Maintenance and Properties Management

The Company submitted zakat and income tax returns for all the years until year ended December 31, 2024. And based on that, the amounts due has been paid according to those returns, and no assessment has been issued regarding it by ZATCA to date.

Al Widyan Saudi Real Estate Company

The Company submits its zakat returns yearly for disclosure purposes as its zakat obligations within the consolidated return of the Saudi Real Estate Company.

Hudood Real Estate Investment Company

The Company submits its zakat returns yearly for disclosure purposes as its zakat obligations within the consolidated return of the Saudi Real Estate Company.

Creativity Hub Company for Co-Working Spaces

The Company is incorporated during the year ended December 31, 2025. It has joined to a zakat group of the Saudi Real Estate Company because it is a wholly owned subsidiary of it, and no material zakat liability arose from it during the period, due to its recent establishment.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

32. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders of the Group, Public Investments Fund and entities controlled or significantly influenced by such parties. Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to control the activities of the Group and its employees directly or indirectly. The Group considers the members of the Board of Directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IAS 24 Related Party Disclosures. Following table shows due from related parties as of December 31,

	2025	2024
InfraRoad Binyah Company	**4,704**	8,861
Red Sea Global Company	**11,927**	-
Diriyah Gate Company	**126,446**	136,694
New Murabba Development Company	**-**	4,807
Roshn Group Company	**21,334**	6,931
Expo Company 2023 Riyadh	**5,266**	-
	169,677	157,293

Following table shows due to related parties as of December 31,

	2025	2024
Red Sea Global Company	**-**	616

Following table shows the key management personnel compensation recognized within consolidated statement of profit or loss during the year ended December 31:

	2025	2024
Executive salaries and allowances*	**43,915**	36,869
Attendance allowance and committees' remuneration (Note 33)	**8,689**	8,653
	52,604	45,522

Revenues relating to transactions with government entities for the year ended 31 December 2025 amounted to SR 49 million (31 December 2024: SR 47 million).

During the year ended December 31, 2024, the Group signed a contract with the Royal Commission for Al-Ula and Al-Ula Development Company to implement the development management agreement for the Sidrat Al-Ula project. During the year ended December 31, 2025, the parties agreed not to continue implementing the contract in its current form. As a result, the Company recovered amounts previously spent on the project, as a claim was issued and paid during the period, without a material financial impact on the consolidated financial statements.

During the year ended December 31, 2025, the Group, along with Riyadh Holding Company and Riyadh Construction Company, signed a contract to sell a plot of land in Riyadh to Al Sumoud Al Thaniyah Real Estate Development and Investment Company, with the Group's share of the sale price amounting to SR 1,724 thousand. This transaction is classified as a related party transaction, given that one of the board members, His Excellency Mr. Muath bin Naeem Al Naeem, owns a share of 35% in the purchasing company.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

33. REVENUE

	2025	2024
Rental revenues (note 29)	**366,873**	337,995
Revenue from sold lands	**371,143**	373,876
Revenue from sold units	**273,377**	191,926
Infrastructure projects revenue	**781,246**	974,421
Construction projects revenue	**4,140**	47,701
Revenue from Facility management	**83,306**	61,749
	1,880,085	1,987,668

34. COST OF REVENUE

	2025	2024
Cost of sold lands	**112,228**	136,814
Cost of sold units	**226,116**	160,453
Sub-contract	**222,566**	426,302
Employees' salaries, wages, and other related benefits	**202,957**	234,511
Materials cost	**102,033**	118,145
Depreciation of property and equipment	**10,158**	5,919
Depreciation of investments properties	**79,570**	55,672
Depreciation of right-of-use assets	**6,336**	1,400
Maintenance and operation of investments properties expenses	**55,191**	74,752
Others	**40,033**	64,367
	1,057,188	1,278,335

35. SELLING AND MARKETING EXPENSES

	2025	2024
Promotions and advertisement	**6,989**	8,215
Employees' salaries, wages, and other related benefits	**5,127**	3,989
Others	**-**	277
	12,116	12,481

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

36. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Credit loss related to trade receivables	**13,464**	8,291
Salaries, wages, and other related benefits	**145,621**	140,167
Attendance allowance and committee's remuneration (note 29)	**8,689**	8,653
Professional, consulting, and governmental fees*	**11,324**	29,363
IT expenses	**15,923**	5,279
Depreciation of property and equipment	**4,054**	1,768
Depreciation of right-of-use assets	**2,650**	1,338
Amortization of intangible assets	**2,852**	3,445
Others	**8,493**	17,528
	213,070	215,832

* The total value of professional fees for the Group's external auditor, El Sayed El Ayouty & Co. charged to the parent company's consolidated statement of profit or loss amounted to SR 635 thousand (2024: SR 678 thousand), of which SR 545 thousand was for audit and examination services (2024: SR 545 thousand), while fees for other services amounted to SR 90 thousand (2024: SR 133 thousand).

37. OTHER INCOME

	2025	2024
Financial income	**39,389**	24,084
Gains on disposal of property and equipment	**846**	1,162
Others	**7,263**	786
	47,498	26,032

38. FINANCIAL CHARGES

	2025	2024
Bank loans and facilities	**202,020**	229,322
Lease liabilities (note 25)	**14,413**	13,364
	216,433	242,686

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

39. EARNING PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. There is no difference between basic and diluted earnings per share, due to the absence of financial instruments that may have a diluting effect on earnings per share. The following table reflects the net profit for the year and number of shares used in the basic and diluted loss per share computations:

	2025	2024
Net profit for the year attributable to equity holders of the Parent Company (SR)	**295,964,654**	215,063,412
Weighted average number of ordinary shares (share)	**375,000,000**	375,000,000
Basic and diluted earnings per share (SR)	**0.79**	0.57

40. COMMITMENTS AND CONTINGENCIES

Parent Company Guarantee

During the year ended December 31, 2025, Saudi Real Estate Company issued a corporate guarantee in favour of Qiddiya Investment Company, in connection with a business contract concluded between Qiddiya Investment Company and one of the Group's subsidiaries, Saudi Real Estate Construction Company. Under this guarantee, Saudi Real Estate Company undertakes to guarantee that the subsidiary meets its contractual obligations in accordance with the terms of the aforementioned contract. As at the date of the consolidated statement of financial position, the Group has not received any claims under this guarantee. And there are no indications of a material breach of the related contractual obligations. This guarantee is also monitored periodically in light of the related contractual developments. Based on management's assessment of the facts and existing circumstances as at the date of the consolidated statement of financial position, no current liability has been determined that would require to recognize a provision. Accordingly, this guarantee was disclosed within contingencies without recognizing any amounts in the consolidated financial statements.

Bailment and stand surety of joint venture

One of the subsidiaries, Saudi Real Estate Infrastructure Company along with the other shareholder in the joint venture, issued bailment and stand surety in favour of finance entities, in connection with bank facilities granted to the joint venture with a total of SR 446 million. This bailment represents a potential commitment whose activation depends on the joint venture's breach of its liabilities to the finance entities. As at the date of the consolidated statement of financial position, no breaches or claims have been recorded under this bailment. The Group has not received any claims from the related finance entities. The related joint venture commitments are monitored periodically. Based on management's assessment of the joint venture's financial and operational status and future prospects, no current liability has been determined that would require to recognize a provision. Accordingly, this bailment was disclosed under contingencies without recognizing any amounts in the consolidated financial statements.

Letters of guarantee issued by local banks

The total value of outstanding letters of guarantee as at December 31, 2025, issued by the banks with which the Group deals, amounted to SR 479 million (2024: SR 744 million). These letters were issued by local banks and are subject to specific contractual terms and conditions. The Group maintains a cash margin deposited with those banks against the issuing these letters, amounting to SR 17 million as at December 31, 2025 (2024: SR 35 million). This margin is subject to usage restrictions associated with the related letters of guarantee. Based on the information available at the date of preparation of these consolidated financial statements, the management does not expect these letters to generate any material cash outflows.

40. COMMITMENTS AND CONTINGENCIES (Continued)

Idle lands claims

During the year ended 31 December 2025, the claims for Idle lands fees received by the Group from the Ministry of Municipal and Rural Affairs and Housing amounted to SR 6 million (2024: SR 17 million). Based on the legal advisory's opinion, the management believes that the likelihood of incurring additional liabilities in this regard is low, and therefore the management does not consider that no need to recognize additional provisions at this stage. It should also be noted that additional invoices have been issued during the period following the date of the financial statements, which are currently under review and assessment by management, as explained in the Note on Subsequent Events.

Legal issues

There are some cases filed against the Group during the ordinary course of business and are currently being litigated. Based on the management's current assessment and according to the information available, the management expects that these cases have no material impact on the consolidated financial statements.

41. FAIR VALUE MEASUREMENT

The following table illustrates the fair value measurement hierarchy of the Group's investments in listed equity instruments held at fair value through other comprehensive income as at the date of the consolidated statement of financial position:

	Fair value	(level 1)	(level 2)	(level 3)
As of 31 December 2025	**313,524**	**99,523**	**89,818**	**124,183**
As of 31 December 2024	**415,322**	**26,511**	**117,189**	**271,622**

The fair value of financial instruments is determined according to the fair value hierarchy, which depends on the measurement inputs used. Level 1 measurements are based on prices quoted in active markets, while Level 2 measurements are based on directly or indirectly observable inputs, and Level 3 measurements are based on unobservable inputs and are determined using appropriate valuation methods. The Group's investments in equity instruments measured at fair value through other comprehensive income are classified within the above hierarchy levels. For the remaining financial instruments, the book values of cash and cash equivalents, trade receivables, trade payables and other current liabilities are approximate their fair values, due to their short maturities. The book value of term loans is approximate their fair value, due to that they carry commission rates that reflect prevailing market rates for similar financing. Regarding to the leases liabilities, their fair value is approximate their carrying amount as at the date of the consolidated statement of financial position, due to that they are measured using the discount rate that reflects the prevailing market financing rates at the date of commencement of the lease. The management considers that there are no material differences between the carrying amount and the fair value of these liabilities.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risks arise from the use of financial instruments in its operational and financing activities, which are affected by the diversity of its business sectors as stated in the operational sectors explanation, and by the nature of its business models which depend, partially, on developing and selling real estate assets and providing related services. The financial instruments mainly include trade receivables, cash and cash equivalents, bank loans and facilities, trade payables, leases liabilities as well as investments in equity instruments. The Group is exposed to various financial risks, including commission rate risk, credit risk, liquidity risk and equity price risk. These risks are managed within an approved framework that includes specific policies and procedures, which are reviewed periodically, with the aim of minimizing potential adverse effects on the Group's financial performance, taking into account the nature of its cash flows and its financing structure.

Commission rate risk

The Group's exposure to commission rate risk is mainly in bank loans and facilities with variable interest rates associated with the SAIBOR rate, which exposes future cash flows to fluctuate as a result of changes in prevailing market commission rates. The management manages this exposure through continuous monitoring of commission rate movements and assessing their impact on the future cash flows, in light of the Group's financing structure and loan repayment schedules. Assuming all other variables remain fixed, a 1% increase / decrease in the commission rate as at the date of the consolidated statement of financial position would have resulted in an increase / decrease in the Group's annual financial charges by approximately SR 28 million for the financial year ended December 31, 2025 (2024: SR 31 million), based on the outstanding variable-rate loans as at the date of the consolidated statement of financial position.

Foreign currency risk

Foreign currency risk arises from changes in exchange rates, which may affect the value of the Group's assets, liabilities and future cash flows. Most of the Group's transactions are made in Saudi Riyals, and its exposure to foreign currencies is limited and mainly concentrated in transactions denominated in US Dollars. Given the stability of the Saudi Riyal against the US Dollar, the management considers that exchange rate fluctuations have no material risk on the consolidated financial statements.

Equity price risk

The Group is exposed to equity price risk related to its investments in listed equity instruments, which are measured at fair value through other comprehensive income. The fair value of these investments may be affected by changes in market prices and related economic factors. The management monitors the performance of these investments on a regular basis and does not consider the impact of fluctuations in the prices of these instruments to be material on the consolidated financial statements.

Credit risk

Credit risk is the risk that counterparties will not meet their contractual obligations, leading to a financial loss. These risks are mainly concentrated in trade receivables and balances at banks and financial institutions. The Group manages credit risk by setting credit limits for clients, monitoring receivables balances periodically and assessing the creditworthiness of counterparties. The management takes into account the nature of the contracts associated with the Group's projects, including the collection deadlines associated with the development and implementation when assessing the level of risk and determining the necessary provisions.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is that the Group is unable to meet its obligations when fallen due as a result of a mismatch in the timing of cash inflows and outflows. The Group manages liquidity risk through continuous cash planning and monitoring of expected cash flows, taking into account the nature of cash flows associated with real estate development and investment projects, as well as other contractual obligations, and maintaining appropriate levels of cash and cash equivalents and providing credit facilities to support its financing needs when required.

The table below illustrates the contractual maturity dates of the Group's financial liabilities and agreed upon repayment terms. This table has been prepared based on the cash flows of the Group's financial liabilities and as per the nearest contractual maturity date:

	Total	During year	More than 1 to 5 years	More than 5 years
31 December 2025				
Trade payables	**149,596**	**149,596**	-	-
Leases liabilities	**253,574**	**20,150**	**40,602**	**192,822**
Bank loans and facilities	**2,826,513**	**299,187**	**1,622,374**	**904,952**
	3,229,683	**468,933**	**1,662,976**	**1,097,774**
31 December 2024				
Trade payables	188,435	188,435	-	-
Leases liabilities	240,249	13,701	41,829	184,719
Bank loans and facilities	3,083,351	256,838	1,663,003	1,163,510
	3,512,035	458,974	1,704,832	1,348,229

43. SUBSEQUENT EVENTS

The management has assessed subsequent events from the date of the consolidated statement of financial position until the date of approval of these consolidated financial statements in accordance with the requirements of the related IFRS endorsed in the Kingdom of Saudi Arabia. Based on this assessment, the management believes that there are no any subsequent events that would made adjustments to the consolidated financial statements, except for the following disclosures:

- One of the subsidiaries, Saudi Real Estate Infrastructure Company, signed a credit facilities agreement complied with Sharia committee at Alinma Bank amounting to SR 550 million, for a period of one year renewable, for the purpose of supporting operational processes and financing future projects.

- Saudi Real Estate Company signed a lease agreement for the "Al Reef" residential complex located in the Diplomatic Quarter in Riyadh for a period of (20) years, with a total of SR 1,199 million (excluding VAT). It is expected that the financial impact of this contract is reflected in future financial periods.

- Idle lands fees invoices have been issued for some of the lands owned by the Group amounting to SR 62 million approximately. These invoices are subject to study and evaluation by the management in light of the relevant regulations and bylaws, taking into account the nature of the land subject to the fees and its current status. The management is currently assessing the appropriate accounting treatment for these invoices in accordance with the requirements of IFRS endorsed in the Kingdom of Saudi Arabia, including determining whether they represent an outstanding liability, a potential liability or no need to be recognized at this stage. Based on the initial assessment and the information available to date, the management does not consider an impact that need conducting an adjustment to the consolidated financial statements for the financial year ended December 31, 2025, as these invoices relate to the subsequent financial period. Accordingly, any accounting effect, if any, will be reversed in subsequent financial periods in accordance with the relevant IFRS endorsed in the Kingdom of Saudi Arabia.

SAUDI REAL ESTATE COMPANY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

Notes to consolidated financial statements for the year ended 31 December 2025
(In Saudi Riyals Thousands, unless otherwise indicated)

44. COMPARATIVE FIGURES RECLASSIFICATION

Certain of comparative figures for the prior year have been reclassified to conform to the presentation in the current year.

45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised to issue by the Board of Directors on 11 Shawwal 1447H (corresponding to 30 March 2026).

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