Riyadh Development Company
الرياض للتعمير

Building Capabilities, Cultivating Partnerships

Annual Report 2025
Riyadh Development Company

Table of Contents

01

02

03

04

05

06

ARDCO-AR2025-0326-EN

The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

(May God Protect Him)

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

(May God Protect Him)

Board of Directors 2025

The tenth term ended on 24-6-2025

His Royal Highness Prince
Faisal bin Bandar bin Abdulaziz Al Saud
Governor of Riyadh Region,
Honorary Chairman of Riyadh Development Company

His Highness Prince
Faisal bin Abdulaziz bin Ayyaf, PhD
Mayor of Riyadh Region,
Chairman of the Board of Riyadh Development Company

Mr. Majed Alsubeaei
Vice Chairman of the Board
Executive Committee Chairman

Mr. Sulaiman AlHatlan
Member of the Board
Audit Committee Chairman

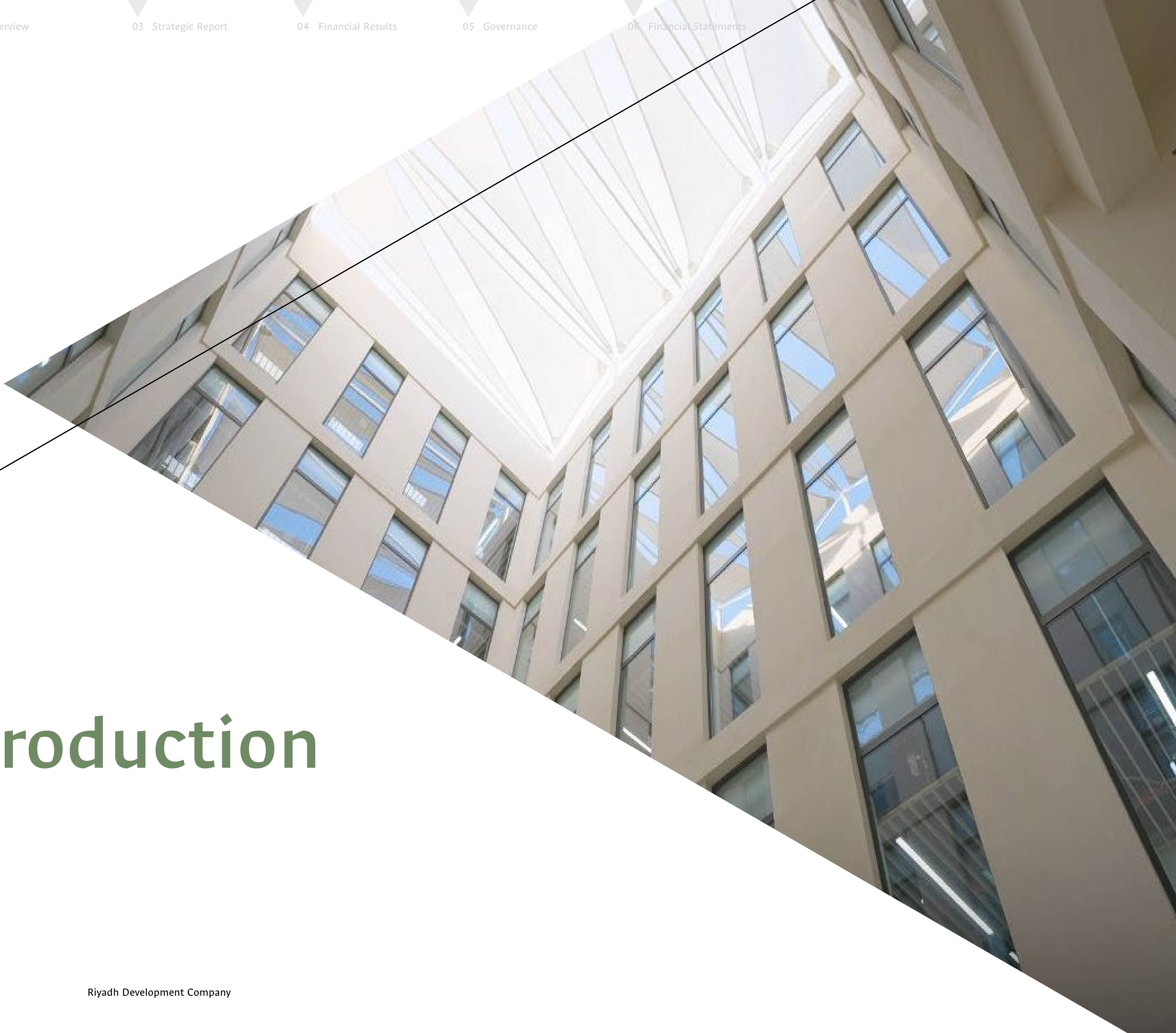
Mr. Abdul-Ilah AlHussein
Member of the Board
Nomination & Remuneration Committee Chairman

Mr. Abdulrahman Alqahtani
Member of the Board

Mr. Abdullah AlBahouth
Member of the Board

Mr. Fahad AlKassim
Member of the Board

Mr. Nayef Al-Hadithi
Member of the Board



01 Introduction

Chairman's Letter

ARDCO: An Investment Arm Delivering Sustainable Urban Impact

Our Shareholders and Partners in Growth,

With God's grace, Riyadh is undergoing a defining transformation, emerging today as one of the region's and the world's most vibrant and prosperous cities. At the heart of this transformation lies the generous support and direct guidance of wise leadership, may God protect them, which has elevated the development of the capital into a national priority. Through an integrated framework for urban planning and real estate development, Riyadh continues to strengthen its position, accelerate infrastructure and mobility delivery, and enhance urban quality of life. This momentum has further strengthened the city's readiness to host major global milestones, foremost among them the World Expo and the World Cup. Within this broader context, ARDCO continues to help shape the city's development while managing its assets and projects with discipline and efficiency, guided by clear strategic priorities and the agility to seize opportunities in ways that support sustainable urban and economic impact.

"Remat Al-Riyadh's entry as a long-term partner strengthened ARDCO's investment structure and expanded its capacity to deliver major development projects within an integrated long-term framework."

ARDCO is built upon a distinguished institutional legacy established in 1994 by the Custodian of the Two Holy Mosques, may God protect him, during his tenure as Governor of Riyadh Region. Over more than three decades, ARDCO has deepened its development experience through disciplined planning and sustained delivery, emerging as an institution with clear operational maturity and strong execution capability. That maturity has carried the Company into a more advanced phase of planning and implementation, one in which maximizing total shareholder return is embedded in both its operating approach and day-to-day decisions. This gained further significance in 2025, when the Company underwent a major shift in its financial and investment profile, backed by shareholder confidence and accompanied by the formation of an effective strategic partnership with the development arm of Riyadh Region Municipality. As a result, the Company's capital increased by 31.58% to approximately SAR 2.3 billion, further strengthening ARDCO's capacity as an investment arm supporting urban development pathways and deepening its contribution to the national economy.

In parallel, we continued to pursue our strategic objectives with discipline and efficiency. An integrated institutional base and established operating capabilities enabled us to introduce targeted refinements to the "Invest for Growth" strategy with agility and sound judgment in response to legislative changes and evolving regulatory requirements. This readiness translated into greater adaptability, faster progress across our existing projects, and their timely conversion into productive assets. It also enabled more effective deployment of capabilities, stronger governance, and continued gains in performance efficiency, helping sustain our development impact.

ARDCO is moving confidently into the next phase of its strategic journey, with early preparations already underway for a new strategic horizon extending to 2032. The outlines of this next phase are beginning to take shape through the Company's active transition to a group model and the establishment of wholly owned subsidiaries, reinforcing specialization and professionalism in full alignment with the objectives of Saudi Vision 2030.

My closing thanks go first to our wise leadership for its continued support of the development journey, support that has made these achievements possible. I also wish to acknowledge the former members of the Board for their efforts during the previous term, which helped consolidate the Company's institutional foundations, as well as the current members of the Board, who bring to this new term the experience and insight needed to sustain the Company's strategic course in the years ahead.

We look to a promising future in which ARDCO continues to support Riyadh's progress and the further elevation of its position regionally and globally.

Faisal bin Abdulaziz bin Ayyaf, PhD
Chairman of the Board of Directors

"As a strategic investment arm, we continue to shape the city's future and deliver sustainable urban and economic impact."

CEO's Letter

Dear Shareholders,

Strengthening the Capital Base for the Investment Shift

By God's grace, we continue on this path with firm confidence in ARDCO's role as a pivotal development partner and as an investment arm in the development of the capital, Riyadh, aligned with the ambitions of Saudi Vision 2030, while keeping total shareholder return at the center of our strategic priorities. Our original investment ambition was framed around projects valued at approximately SAR 6 billion. It did not remain at that level. As institutional capability and execution efficiency translated into faster delivery, the scale of what we set out to achieve expanded to nearly SAR 9 billion, underscoring our readiness to lead a higher-quality, more sustainable phase of growth. That same momentum was directly reflected in our targeted financial performance, with annual net income rising to SAR 296 million.

The year opened with a decisive strategic step: a capital increase through the acquisition of real estate assets from Remat Al-Riyadh Development Company, the development arm of Riyadh Region Municipality. This gave rise to an ambitious strategic partnership that expanded ARDCO's investment and financing capacity, strengthened its financial resilience, and created greater scope to accelerate project development while channeling resources into high-value real estate assets. In parallel, we placed equal emphasis on strengthening internal capability through the optimal use of available resources, firmer institutional frameworks, and the continued development of effective governance, risk management, and compliance systems to raise performance and sharpen accountability. We also elevated the role of enterprise project management to ensure execution discipline, align delivery more closely with strategic priorities, and embed sustainability more firmly across both operating and investment practices.

"Institutional excellence begins where effective governance, operational efficiency, and future readiness come together."

Toward a Group Model, with Specialization at the Core

As the regulatory landscape continued to shift, the Company continued to implement its strategy steadily, while simultaneously updating it to keep pace with the opportunities arising from hosting Expo 2030 and the 2034 World Cup, as well as changes in legislation, primarily enabling foreign investors to invest in the real estate sector.

That same discipline is now taking shape in the Company's shift to a group model, intended to deepen specialization and raise execution quality through dedicated entities. These include a Fresh Produce Company, established to advance the national food security agenda; Al Rimal Logistics Park, launched to expand in the logistics services sector; and AlDirah Development as an associate Company embodying a specialized approach to the development and revitalization of the historic AlDirah district. Together, these steps are lifting operating efficiency, improving the effectiveness of asset management, and supporting balanced, sustainable growth in line with the Company's strategic direction.

Mobilizing Capability for the Next Phase

The general framework for real estate development also moved into practical application. Some projects reached completion, while others advanced at pace across design, planning, and execution. The clearest expression of this momentum came with the delivery of two educational complexes in Tilal Al Riyadh, undertaken in partnership with the Mohammed bin Salman Foundation (Misk) and completed within a record 14 months, an outcome that reflects the efficiency of the operating model and the Company's readiness to execute to the highest standards. Over the same period, asset management also improved through a comprehensive review of the portfolio and the identification of the most suitable path for each asset within its development cycle. This sharpened decision-making, aligned business activity more closely with market needs, and formed part of the wider effort to strengthen institutional capability and raise the Company's execution readiness.

After a 2024 shaped by high-value partnerships, the Company turned its focus to activating capability, maximizing its potential, and building a more resilient and sustainable institutional base. This effort centered on reinforcing organizational, operational, and digital foundations, while placing human capital development at the core of the broader transformation agenda. Taken together, this has strengthened ARDCO's readiness for the next phase, improved its ability to realize the value of those partnerships, and set a more efficient and sustainable course for growth. Alongside this, the Company has worked to improve the quality of recurring income and reinforce its durability, in line with a forward ambition built on diversifying income sources and strengthening the stability and growth of future returns.

ARDCO enters its next phase with confidence, guided by a strategic horizon extending to 2032, grounded in the depth of its development legacy, and benefiting from the continued support and enablement our wise leadership provides to the national economy and urban sector, creating a strong environment for growth and sustainable investment. My sincere thanks and appreciation go to our strategic partners and valued shareholders for their trust and continued support. I am equally proud of our executive leadership and our people, whose commitment and capability have been central to these achievements and have strengthened our ability to create sustainable value that serves shareholder interests and contributes to the continued progress of the capital.

Jehad Alkadi
Chief Executive Officer

"The capital increase recast ARDCO's investment platform and ushered in a long-term strategic partnership with Riyadh Region Municipality, expanding the Company's capacity to pursue balanced growth and build enduring institutional readiness."


بسم الله الرحمن الرحيم
في عهد خادم الحرمين الشريفين
الملك / فهد بن عبدالعزيز آل سعود
وتحت رعاية صاحب السمو الملكي
الأمير / سلمان بن عبدالعزيز آل سعود
أمير منطقة الرياض
رئيس الهيئة العليا لتطوير مدينة الرياض

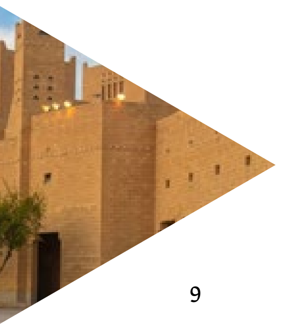
02 Overview

Our Journey: Deep Roots, Wider Horizons

Riyadh Development Company traces its beginnings to 1994, under an ambitious vision shaped by King Salman bin Abdulaziz, may God protect him, during his tenure as Governor of Riyadh Region. What followed was three decades of sustained work across real estate development, leasing, operations, and public good services. Over time, that work gave shape to a firmly established institutional model, grounded in a deep understanding of the needs of the city and society and in a lasting commitment to sustainable development impact.

Its early chapters took shape with AlTameer Wholesale Center, a mixed-use project in the heart of Riyadh. This was followed by a series of defining developments that became milestones in the Company's evolution, including the Batha Meat & Vegetables Market and Riyadh AlTameer Market between 1997 and 1999, and later the development of Tilal Al Riyadh as an integrated residential project that enriched the city's urban landscape.

The years between 2001 and 2007 widened the Company's operating base and carried it into a broader stage of growth. During that period, the Public Transportation Center was launched, Al-Aziziyah Fruits & Vegetables Market was developed, and AlTameer International Car Auction was established, together pointing to a business model growing in both range and integration. In 2014, capital was increased to SAR 1.3 billion, giving that expansion stronger backing. The acquisition of land in AlThumama came next, alongside strategic partnerships that broadened the Company's presence, including the development of Otaiqah Central Market and the launch of the Tanal Real Estate Investment and Development Project in 2016.



"We continue our journey towards a bright future driven by sustainable growth, shaping Riyadh's development together."

A more defining turn came in 2023 with the launch of the "Invest for Growth" strategy, which set the Company's direction across development, diversification, sustainable growth, and digital transformation. That shift came alongside a strategic partnership with Riyadh Holding Company to establish AlDirah Development Company, dedicated to the development and management of real estate assets in central Riyadh. By 2024, the strategy had begun to find concrete expression through agreements with leading institutions. These included the SAR 1.4 billion acquisition of two real estate assets from Remat Al-Riyadh Development Company as part of the capital increase, participation in the establishment of a real estate fund with Sports Boulevard Foundation through an alliance with FTG Development to develop the Urban Wadi District, alongside developing logistics facilities according to global standards.

In 2025, the focus shifted from partnership formation to capability activation. Riyadh Development Company continued to strengthen its role in national economic development through fuller use of its capabilities, while Remat Al-Riyadh, the development arm of Riyadh Region Municipality, became a sustainable strategic partner to the Company and Capital Market Authority approval was secured for the capital increase. One of the Company's strategic priorities, the group model, also moved into active implementation through the launch of a Fresh Produce Company in support of the national food security system. Alongside this, the Company remained committed to the practical application of an integrated real estate development cycle, including the delivery of projects such as the Misk project and continued progress across design, planning, and execution on other projects, with the strategy continuing to evolve flexibly in response to new developments.

With that foundation in place, a new strategic cycle comes into view, shaped by a clear roadmap and a measured shift toward a holding Company model. The aim is balanced growth, sustained impact, and a stronger capacity to create long-term value for Riyadh while maximizing total shareholder return.

1994 – 2007

Establishment and the Launch of the Company's First Markets

- Establishment of Riyadh Development Company
- Opening of the Public Good Services markets: Batha Meat & Vegetables Market and Riyadh AlTameer Market
- Opening of commercial and service centers, including AlTameer Wholesale Center and the Public Transportation Center
- Opening of Al-Aziziyah Fruits & Vegetables Market and AlTameer International Car Auction
- Commencement of the development of the Tilal Al Riyadh community lands

2014 – 2022

Investment Expansion and Stronger Operating Growth

- Increase of the Company's capital from SAR 1 billion to SAR 1.3 billion
- Opening of distinctive commercial projects, most notably AlTameer Plaza 3 and Otaiqah Central Market
- Acquisition of AlThumama land, with an area of approximately 2.5 million square meters
- Entry into partnership in the Tanal Real Estate Development & Investment project and commencement of land sales
- Agreement with the Ministry of Environment, Water, and Agriculture to regulate and develop Public Good Services markets

2023 – 2024

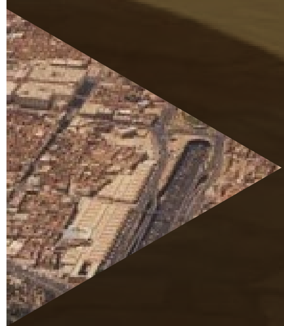
Strategic Transformation and the Formation of High-Value Partnerships

- Launch of the "Invest for Growth" strategy
- Signing of a memorandum of understanding with Riyadh Holding Company
- Long-term agreement with the Mohammed bin Salman Foundation (Misk Foundation) to develop educational complexes
- Alliance with FTG Development to establish a real estate development Company
- Partnership with Sports Boulevard Foundation to develop mixed-use towers
- Capital increase through the acquisition of assets from Remat Al-Riyadh Development Company
- Development of a logistics complex that meets global standards
- Agreement with the Ministry of Environment, Water, and Agriculture to launch the digital portal for Al-Aziziyah Fruits & Vegetables Market
- Agreement with Elm to launch the E-Auction Platform
- Agreement with Nadec to lease logistics warehouses

2025

Transition to the Group Model

- Strategic partnership with Riyadh Region Municipality following the capital increase
- Launch of a Fresh Produce Company
- Delivery and Handover of two educational complexes projects to Misk Schools (Riyadh Schools), with a total area of 21,171 square meters
- Launch of Al Rimal Logistics Park to expand in the logistics services sector
- Commencement of the Al Morooj Land project
- Establishment of the foundations for updating the "Invest for Growth" strategy in line with legal changes and regulatory developments



Our Corporate Identity

Our Vision

To strive to be the sustainable partner of choice to cultivate urban development and elevate human welfare, building on Riyadh's legacy towards promising horizons.

Our Mission

We strive for excellence in real estate development and management and to strengthen our pioneering position in the fresh produce and public good services sector. We are committed to enhancing our operational efficiency in our businesses and aim to diversify our investments, increasing returns on our assets, and maximizing total shareholder return.
We will operate within a business philosophy that seeks to create impact all around us and achieve sustainability in its broadest sense. This is for the benefit of everyone across our value chain, including our customers, colleagues, partners, and shareholders.

Our Values

ARDCO prides itself on its steadfast approach to its business through our set of holistic values:

01. Commitment

ARDCO values commitment to the highest standards of quality in all our initiatives, providing our shareholders with periodic reports on our financial performance and constantly informing them of our corporate decisions.

02. Credibility

ARDCO values credibility through transparency and active communication as we consider it to be a key characteristic of the positive, successful relationship with our shareholders as well as of our status as the model partner for all.

03. Adaptability

ARDCO values adaptability in managing a diverse portfolio by keeping a finger on the pulse of global best practices in building sustainable mixed-use projects. We view it as a key factor and a core value that makes us a constant example of progress and prosperity.

04. Excellence

ARDCO values excellence in all our projects and innovation in all our initiatives. We aim to achieve our vision and mission through our commitment to our values to be the highest standard of excellence for urban architecture that sets the ultimate priority on human well-being.

05. Collaboration

At ARDCO, success is achieved through practical cooperation and the fostering of strong partnerships based on trust and integration. By promoting a work environment based on communication and joint coordination, we work together towards achieving common goals and provide sustainable development opportunities that benefit everyone.

06. Initiative

We are committed to supporting a culture of initiative and innovation; we value the taking of proactive initiatives that enhance growth according to an approach that is integrated with all relevant parties. By creating a flexible and stimulating environment, we allow everyone to contribute effectively to achieving future aspirations and improving business sustainability.

Our Businesses

Real Estate Development and Development Management

Riyadh Development Company operates within an integrated real estate development model that is based on managing the various stages of the development cycle, starting from urban planning and design, through implementation and development, to operation and asset management. This model allows the Company to oversee the entire value chain in real estate projects, ensuring the achievement of the highest levels of quality, efficiency, and sustainability at all stages of development.

As the Company moves from the stage of establishing strategic partnerships in past years to the stage of direct execution, planning, and implementation on the ground; its development projects have begun to enter more advanced stages, reflecting a gradual shift towards activating its investment and development portfolio.

These projects include the development of integrated residential communities; office, educational, and logistical facilities; in addition to the development of infrastructure and the planning and preparation of raw lands for development and investment, in line with the rapid urban expansion in Riyadh and the enhancement of the quality of the urban environment. The Company also continues to develop and manage a range of service and real estate projects that respond to market needs and enhance asset investment efficiency.

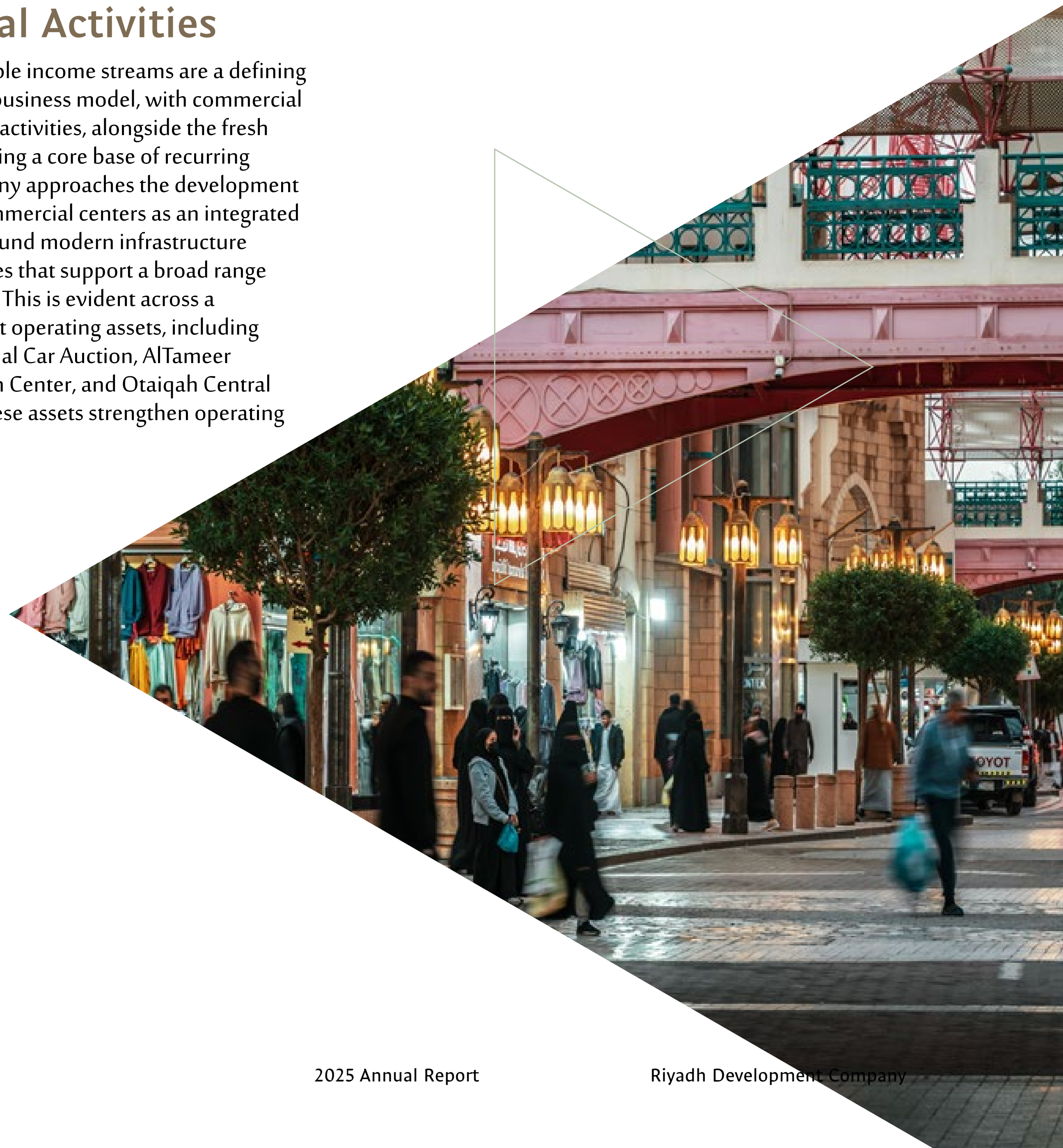
Fresh Produce

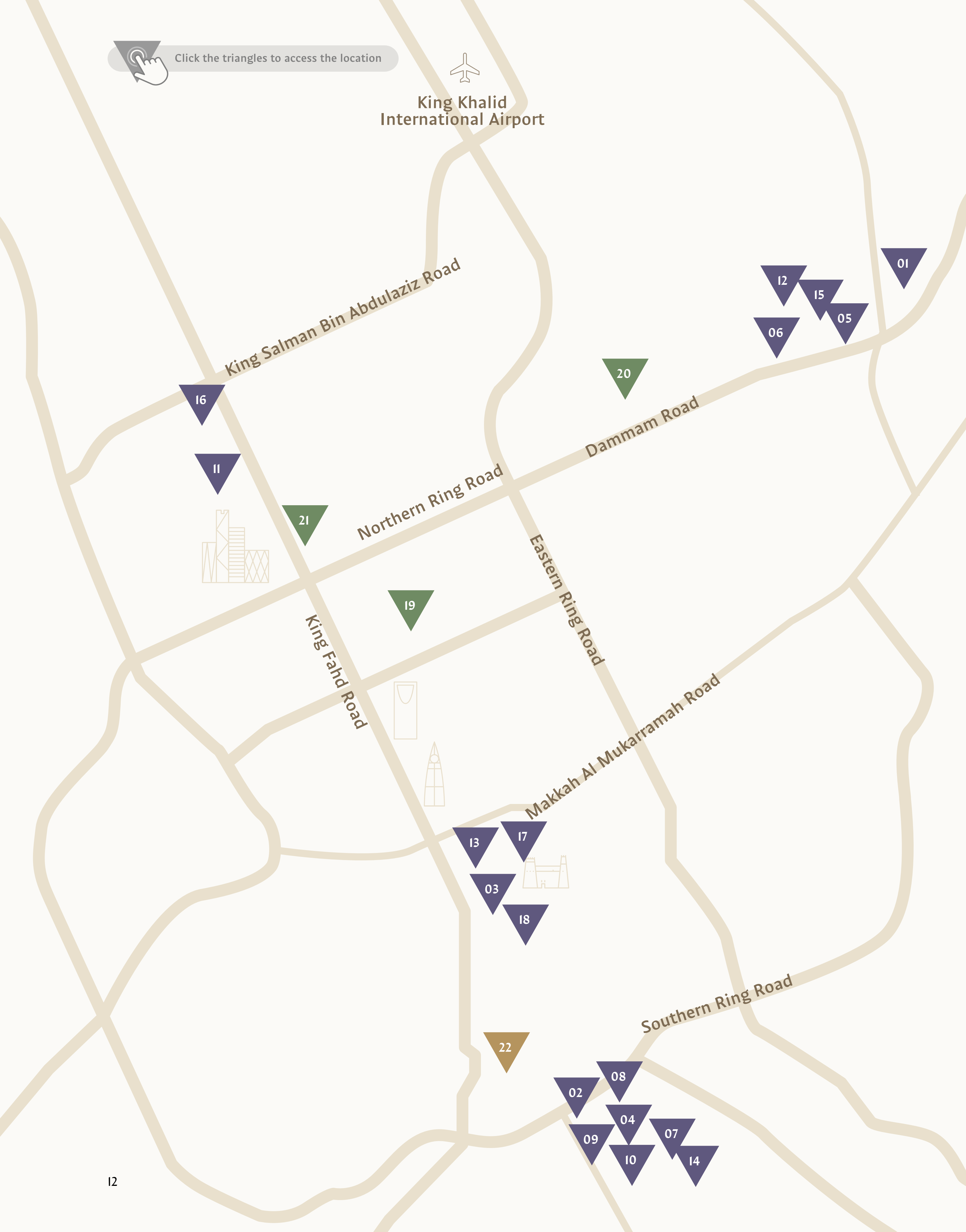
At the center of ARDCO's contribution to national food security stands Al-Aziziyah Fruits & Vegetables Market, which the Company operates and develops as one of the Kingdom's most important Public Good Services markets. The market is currently moving through successive phases of expansion and modernization, both operationally and digitally, with work spanning infrastructure upgrades, more disciplined processes, improved pricing efficiency, and stronger governance and compliance.
The aim is to accommodate rising trading volumes and serve a growing base of traders and beneficiaries. As experience deepened and the scope of activity widened, ARDCO's role evolved beyond managing a central market into developing specialist capability across the fresh produce sector and its value chain, from regulation and operations to supporting logistics services. That institutional maturity and operational readiness led to the establishment of a Fresh Produce Company, helping sustain ARDCO's regional leadership through an advanced operating model aligned with best practice, improving sector efficiency and supporting food security over the long term.

Commercial Centers and Operational Activities

Diversified, sustainable income streams are a defining feature of ARDCO's business model, with commercial assets and operating activities, alongside the fresh produce sector, forming a core base of recurring revenue. The Company approaches the development and operation of commercial centers as an integrated platform, shaped around modern infrastructure and operating services that support a broad range of economic activity. This is evident across a number of prominent operating assets, including AlTameer International Car Auction, AlTameer Public Transportation Center, and Otaiqah Central Market. Together, these assets strengthen operating efficiency, enhance investment value, and support the wider business ecosystem and its enabling sectors, creating tangible economic and social impact while contributing to quality of life.

Reflecting its focus on AlDirah and its heritage significance, ARDCO established AlDirah Development Company as a joint venture to oversee the area's development and operation in line with best practices, with the aim of revitalizing it in a way that delivers lasting economic and social impact.

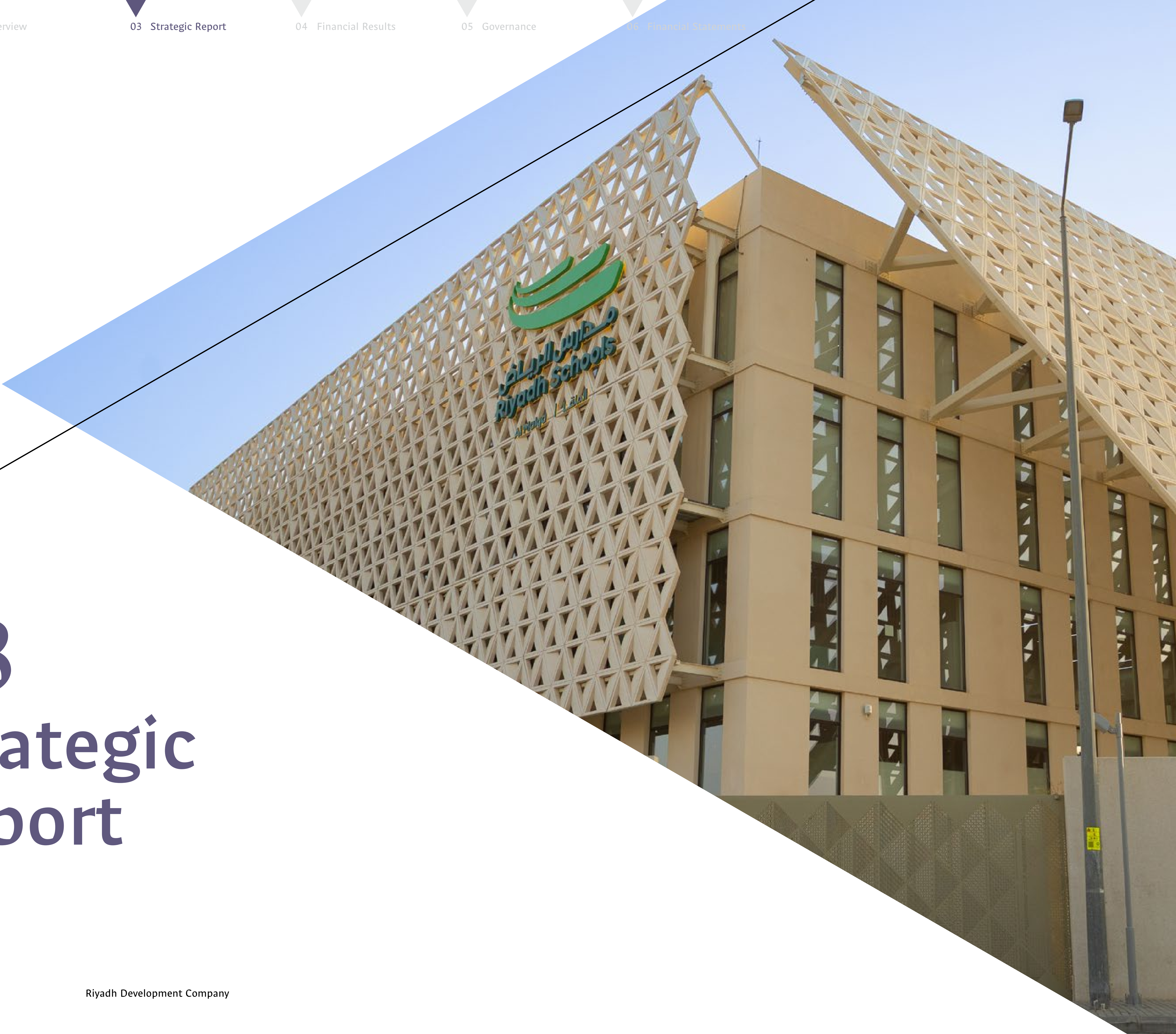




Our Assets

	Asset	Area (m²)	ARDCO Percentage
	Completed Assets		
01	Al Rimal Plot	787,477	100 %
02	Al-Aziziyah Fruits & Vegetables Market Wholesale	274,371	100 %
03	AlDirah Development Company Markets*	167,297	46.34%
04	AlTameer Public Transportation Center	148,303	100 %
05	Car Auction Land - Logistics	116,744	100 %
06	Driving School Land - Auction	100,000	100 %
07	Transport Land	80,000	100 %
08	Al-Aziziyah Lands (lands investment under B.O.T.) – Train Mall	31,081	100 %
09	AlTameer Cold Storage and Freezing Warehouses	27,865	100 %
10	Riyadh AlTameer Market	24,377	100 %
11	Educational Complexes in Tilal Al Riyadh	21,171	50 %
12	Car Auction Land – Commercial	21,000	100 %
13	Qasr Al-Hukm Area Land	18,000	100 %
14	Al-Aziziyah Lands – Centerpoint	15,576	100 %
15	Station Land in the Auction Project	3,751	100 %
16	Almalqa Business Center	3,346	100 %
17	Bin Hayyan Land in Qasr Al-Hukm Area	689	100 %
18	Al Owais Land in Qasr Al-Hukm Area	214	100 %
	Assets Under Development		
19	Al Morooj Land	214,000	100 %
20	Logistics Warehouse Facilities	97,903	100 %
21	Towers development in Wadi District	39,759	30 %
	Assets on BOT Invested Land		
22	Otaiqah Central Market	186,328	-

* Owned by our affiliate Company, AlDirah Investment and Real Estate Development Company.



03 Strategic Report

Our "Invest for Growth" Strategy

Measured expansion remains central to ARDCO's balanced business model. The partnerships and initiatives undertaken in 2024 demonstrate how the Company's "Invest for Growth" strategy has expanded its business reach through strategic alliances, a more diversified investment toolkit, and a growing portfolio, while reinforcing its presence across vital sectors including real estate development, logistics, supply chains, and digital solutions. Within this model, partnership has become a primary instrument of growth, supporting the creation of sustainable long-term value for shareholders through integrated management of the investment, development, and operating cycle.

The investment program was designed as a phased progression, with the first stage built around projects of approximately SAR 6 billion. As institutional capability matured and performance efficiency improved, the Company achieved 90% of its planned targets, confirming its readiness to accelerate delivery and raise the scale of its investment ambition. This, in turn, helped increase the project portfolio to nearly SAR 9 billion. The result is an investment model marked by flexibility, with the capacity to respond effectively to market opportunities while maximizing total shareholder return.

Within that same framework, 2025 proved pivotal to the Company's growth path. Through its partnership with Remat Al-Riyadh Development Company, the development arm of Riyadh Region Municipality, ARDCO increased its capital and further enlarged its investment portfolio, strengthening its readiness for the next phase of growth. The emphasis then shifted to activating strategic partnerships and sharpening execution capability through selective investments, the establishment of specialized entities, and the achievement of key milestones in portfolio development. What emerged was a business model of greater maturity, backed by an ability to manage the investment cycle with the discipline and efficiency needed to support the Company's financial sustainability.

In parallel, the Company continued to strengthen its institutional readiness through an integrated performance indicators framework based on four main pillars: finance, development and operations, governance, and human resources. Through these pillars, the Company worked to raise the level of institutional maturity by activating the Enterprise Project Management Office (EPMO), enhancing the Governance, Risk, and Compliance (GRC) system, as well as resolving a legal legacy spanning more than a decade, resulting in a direct financial impact of SAR 14.9 million. These efforts were not limited to operational improvements, but also represented a foundational step to enhance institutional readiness and build a scalable and replicable operational model that supports the Company's ability to confidently and efficiently keep up with the upcoming growth phase. Actual operational performance reached 118%, yielding a normalized rate of 105% following the 2025 voluntary cap adjustment. Furthermore, the Company achieved full realization (100%) of its governance and human resources targets.

As the Company moved more quickly through its strategic targets, a more advanced phase of growth began to come into view. Central to that phase is a measured shift toward a holding Company model and a new strategic path that reflects the maturity of the business model and strengthens ARDCO's ability to manage multiple investment portfolios with greater efficiency, in support of financial sustainability and long-term shareholder value.

VISION

To be the sustainable partner of choice to cultivate urban development and elevate human welfare. building on Riyadh's legacy towards promising horizons.

APPROACH

Partnership	Sustainability	Digitization

COMPANY OUTLOOK

01	02	03	04	05
Achieve sustainable growth through investment diversification and improving return on assets	Focus on real estate development and development management activities in real estate priority segments	Innovate and pioneer in the fresh produce sector and leverage the company's leading position in the public goods market	Achieve targeted efficiency in operational activities and property management	Shift towards a holding structure in line with achieving business maturity in the company's different sectors

ENABLERS

Governance	Business Model and Human Capital	Corporate Communication	Risk Management

KEY INITIATIVES AND IMPLEMENTATION PLAN

Financial and Investment Initiatives	Corporate Development Initiatives	Governance Initiatives	Operations Initiatives	Digitization Initiatives

Strategy in Motion: Stronger Operating Foundations and Growing Momentum Across ARDCO's Core Businesses

Bringing the "Invest for Growth" strategy into active execution reaffirmed ARDCO's commitment to building a stronger operating base and advancing its existing businesses as the foundation for sustainable growth. With important results already delivered across the first two phases of implementation, the Company is now moving forward through an integrated set of initiatives organized around four strategic tracks: portfolio and investment enablement, value creation and the commercial operating model, strengthening the governance and risk framework, and institutional enablement and capability building.

ARDCO's Strategic Foundations

An institutional transformation demonstrating execution discipline and performance reliability

Phase 1

Strengthening the Operating Base

- ✔ Building a balanced portfolio that generates stable, recurring operating income.
- ✔ Reinvesting for growth while preserving dividend distributions.
- ✔ Maximizing value from existing assets through development and enhancement.
- ✔ Divesting low-performing assets in support of portfolio discipline.
- ✔ Completing the build-out of an effective operating model aligned with strategic targets.

Phase 2

Accelerating Growth in Existing Businesses

- ✔ Reinforcing ARDCO's position as a real estate developer in targeted asset classes.
- ✔ Unlocking additional market potential in mature existing assets with room to scale.
- ✔ Delivering diversification through operating growth and entry into new asset classes.
- ✔ Developing strategic partnerships that strengthen development capabilities.

Phase 3

Expanding Beyond the Current Business Base

- ✔ Restructuring the Company under a diversified holding Company model.
- ⟳ Expanding its role in property management and development management.
- ⟳ Increasing investment in strategically prioritized asset classes.
- ⟳ Extending investment operations geographically beyond Riyadh.

✔ Completed ⟳ In Progress

Enhancing Strategic Readiness for Expansion

Urban Transformation and Major Projects:

New Openings for Sustainable Growth

Our strategic path is grounded in a clear reading of the pace and scale of urban transformation in Riyadh. Driven by the momentum of major national projects and forthcoming global milestones, this shift is reshaping urban development priorities and investment patterns across the city. It is also widening the range of opportunities tied to asset activation and stronger returns, within an urban environment that is growing in maturity and sustainability.

Regulatory Shifts in the Real Estate Sector

Amidst this era of rapid urban transformation, Riyadh Development Company has entered a decisive stage of growth. This evolution demands precise alignment with a marketplace characterized by the swift regulatory and economic shifts currently reshaping the real estate sector, particularly those concerned with white land regulations and leasing frameworks, to safeguard economic feasibility and secure long-term, sustainable growth. Its performance has been achieved despite a regulatory and market environment of uncertainty and complexity, and the Company has continued to advance steadily while updating its strategy to recalibrate ambitions, align the portfolio, and manage risk without affecting performance or the pace of implementation.

On the regulatory front, significant changes emerged during the year that have reshaped the real estate sector landscape and can be leveraged as genuine strategic opportunities for Riyadh Development Company:

First: Opening property ownership to non-Saudis

The decision to allow foreign ownership of real estate helped increase investment demand and attract international capital to the Saudi market, enhancing the competitive appeal of the Company's projects and expanding exit and partnership opportunities with foreign investors targeting the growing Riyadh market.

Second: White land fees and partnership opportunities with owners

White land fees have become an increasing pressure on undeveloped landowners, placing before them three options to avoid paying taxes on white land: development, sale, or contributing their land in partnership with specialized developers. In this context, Riyadh Development Company occupies a strategically advantageous position and can benefit from this regulatory pressure by establishing partnerships based on contributing land in exchange for development expertise, financing, and execution. This model enables the Company to expand its portfolio without the need for intensive upfront capital, while achieving better risk distribution among partnership parties and maximizing returns in the medium and long term; which is an approach fully consistent with the Company's direction of strengthening its capital base and diversifying development models in the upcoming growth phase.

Key Strategic Drivers

Strengthening the capital base through the partnership with Remat Al-Riyadh Development Company to support larger-scale investment.

Aligning the geographic focus of projects with Riyadh's urban vision.

A rise in real estate project announcements alongside major global events and national projects, including Expo 2030 and the World Cup.

Key Factors Shaping the Strategy Update

Portfolio expansion through new partnerships requires stronger execution and operating readiness.

Regulatory shifts and rising development and landholding costs.

The need to accelerate asset activation and revisit development models.

In response to these factors, the strategy update reaffirms the Company's overall strategic direction rather than altering it, with "Invest for Growth" continuing to serve as the umbrella framework for investment, development, and operating decisions. What the update does introduce is a more flexible execution framework with a stronger capacity to capture value. Its primary focus has been real estate development, aligning it with regulatory change and accelerated urban momentum while preserving the Company's broader strategic course.

In this context, the Company manages its projects and investment initiatives through a dynamic approach built on periodic reviews of priorities and disciplined resource allocation to the opportunities with the strongest economic case. This sharpens execution efficiency, strengthens responsiveness to market shifts, and keeps implementation aligned with the Company's long-term strategic direction. As a result, the year 2025 represented a phase of balance between achieving performance under market pressures and consolidating the institutional foundations that support the path of sustainable growth in the coming phase.

Financial Targets for the Invest for Growth Strategy Announced in February 2023

As market confidence grows and Riyadh Development Company cements its presence as an active real estate developer in Riyadh, it continues to pursue its strategic targets and achieve sustainable financial growth.

Project Value*

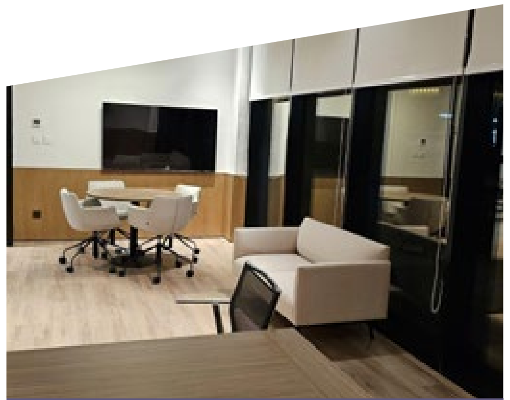
Target by 2032 **6** Bn SAR

Approved by the end of 2025 **9** Bn SAR Approximately

Annual Net Income

Target by 2032 **500** Mn SAR

Achieved by the end of 2025 **296** Mn SAR



Company Equity Contribution

Target by 2032 **2.8** Bn SAR

Achieved by the end of 2025 **1.8** Bn SAR

Total Revenue

Target by 2032 **1** Bn SAR

Achieved by the end of 2025 **517** Mn SAR

* The total value of the projects approved by the Board of Directors (including the contributions of both ARDCO and other investors)

Key Highlights & Milestones

Establishing Strategic Partnerships

2024

In 2024, ARDCO put in place a set of strategic partnerships and alliances that moved the Company into a more mature phase of execution. Spanning development, logistics, digital initiatives, and portfolio expansion, they included:

- Memorandum of Understanding with Riyadh Holding Company
- Long-term agreement with the Mohammed bin Salman Foundation (Misk)
- Establishment of a development alliance with FTG Development
- Partnership with Sports Boulevard Foundation to develop mixed-use towers

2024

- Capital base expansion through the acquisition of assets from Remat Al-Riyadh Development Company
- Development of a logistics complex according to international standards
- Digital and operating agreements with the Ministry of Environment, Water, and Agriculture
- Agreement with Elm to launch the electronic vehicle auction platform
- Logistics warehouse leasing agreement with Nadec

2025

- Delivery of two educational complexes for the Misk Educational Foundation, Riyadh Schools, within just 14 months from the start of implementation.
- Bell-ringing ceremony marking the capital increase, in partnership with Remat Al-Riyadh Development Company.
- Establishment of Abraj AlGhadeer Company, a special purpose vehicle formed on a 50/50 basis by ARDCO and FTG Development.

Partnerships in Execution

2025

- Establishment of Al Rimal Logistics Park as a wholly owned ARDCO subsidiary.
- Completion of the master plan for the Al Morooj development project.

2025

- Approval of designs and construction drawings for the Sports Boulevard Foundation (SBF) project.
- Establishment of the Sports Boulevard Fund in partnership with Abraj AlGhadeer Company through an alliance that includes ARDCO as a developer and investor, and FTG Development as a developer and foreign investor, and is managed by Jadwa Investment, with a value of SAR 1.4 billion.

2025

- Completion of infrastructure works on the Technical Services Land.
- Launch of a Fresh Produce Company.
- Divestment of Tilal Al Riyadh land plots.

This laid the basis for 2025 to become a year of institutional activation, as signed agreements began to move into initiatives and projects with tangible impact.

Key Highlights & Milestones

Under the "Invest for Growth" strategy, the Company has adopted an integrated approach built around two complementary priorities: delivering sustainable growth in a way that reinforces long-term value and readiness for the next phase, and building institutional and operating capability able to carry that growth forward.

1- Growth and Sustainability

ARDCO is focused on building long-term institutional readiness, increasing the resilience of its business model, and adopting specialization as an enabler of development and operations, while keeping investment decisions closely aligned with the priorities of the next phase.

Capital Readiness

The capital increase improved the Company's preparedness for growth and measured expansion.

- It was implemented through a strategic partnership with Remat Al-Riyadh Development Company and approved by 93% of the General Assembly.
- Real estate assets were acquired as an in-kind contribution against the issuance of 56,153,041 new shares, with Remat Al-Riyadh Development Company joining as a long-term strategic partner.

Institutional Strategy Update

The Company adopted a more flexible approach to capital allocation.

- Continued implementation of the "Invest for Growth" strategy while preserving its core foundations.
- Introduction of an annual project review to ensure alignment with approved strategic objectives and the priorities of the next phase.
- Sharper capital allocation and higher-quality decision-making in support of maximizing total shareholder return over the medium and long term.

Transition to the Group Model and Specialization

This direction reflects the Company's progress from a single-Company structure to a specialized group model, allowing assets to be put to fuller investment use and improving efficiency across development and operations.
The following subsidiaries were launched:

- **A Fresh Produce Company:** A specialized subsidiary dedicated to developing and operating the fresh produce value chain and advancing the national food security agenda.
- **Al Rimal Logistics Park:** A specialized subsidiary focused on the development and management of logistics services projects.
- **AlDirah Development Company:** A partnership between Riyadh Development Company and Riyadh Holding Company to develop, operate, and revive the Qasr Al-Hukm and AlDirah heritage areas in a manner that delivers sustainable social and economic impact.
- **AlTilal Company for Educational Facilities Development:** A special purpose vehicle established through collaboration between the Saudi Real Estate Company (Al Akaria) and Riyadh Holding Company, dedicated to the development of educational complexes.
- **Abraj AlGhadeer Company:** A strategic alliance between ARDCO and FTG Development to develop multi-use towers in the Urban Wadi district within the Sports Boulevard project.

2- Capability Building and Deployment

Across this second track, the Company continued to build and deploy institutional and operating capability through asset development and more efficient operations, in support of sustainable growth and more disciplined execution.

Investment and Real Estate Development

With last year's progress now moving into execution, the Company is applying its investment capabilities across the full real estate cycle in a way that supports investment performance and financial discipline, while turning partnerships and opportunities into operating assets that contribute to growth.

Investment Projects Under Development

Investment Projects	Overview	Project Type	Land Area	Project Completion
Educational Complexes with the Mohammed bin Salman Foundation (Misk)	Development of two educational complexes, one for boys and one for girls, under a Build to Suit model Delivered under a 25-year strategic partnership, on an accelerated timetable and within the approved budget	Educational	21,171 sqm	July 2025 (Delivered)
Mixed-use Towers at Sports Boulevard	Development of high-rise mixed-use towers within a distinctive urban destination, through a strategic partnership with FTG Development and Sports Boulevard Foundation Forms part of a broader urban development programme linked to a major national project	Mixed-use (commercial, residential, hospitality, offices)	40,000 sqm	Q4 2029
Logistics Services Complex	Development and management of specialized logistics warehouses supporting supply chains Benefiting from a strategic location within southeast Riyadh's growth corridor	Logistics services	97,904 sqm	Q1 2027
Al Morooj Mixed-use Development	Development of an integrated urban community bringing together residential, commercial, and service uses Sustainable design centered on quality of life, green space, and mobility	Mixed-use (offices, residential, commercial)	214,000 sqm	Q2 2029
Project for the Development and Modernization of Al-Aziziyah Fruits & Vegetables Market Wholesale	Developing the market to enhance its role in achieving food security and improving the business environment. The first phase has been initiated according to a well-planned phased approach.	Commercial	274,371 sqm	Q1 2027

The timelines reflect the best available estimates and may be affected by operational or regulatory factors.
The Company continuously works to anticipate challenges and to maintain delivery quality and the project's added value.

Asset Management

The Company takes an integrated approach to asset management, focused on maximizing value and securing optimal use by aligning retention, development, repositioning, and divestment decisions with its strategic direction and national development priorities.

- Portfolio restructuring through disciplined exits from assets that no longer align with the Company's strategic direction.
- Fuller use of priority assets through sustainable, high-impact activities.
- More focused and agile investment decisions that improve portfolio efficiency and support long-term growth.

Operations

Alongside this, the Company raised institutional readiness through organizational and digital improvements that support the evolution of its business model and the efficiency of asset management, in line with growth requirements and strategic targets. This translated into stronger performance across its operating centers and markets, greater asset attractiveness, and completion of statutory licensing requirements across the portfolio, supporting continuity of operations and regulatory compliance.

Al-Aziziyah Fruits & Vegetables Market

- Digitization of operating procedures, including activation of the wholesale fruits and vegetables platform
- Achievement of a 70% digital share of coupon purchases
- Improved customer experience and operating efficiency, with occupancy at 99%
- Launch of the market development project to improve operating efficiency, upgrade the market environment, and reinforce health and safety requirements in support of operational sustainability and business continuity

AlTameer Public Transportation Center

- Higher operating readiness, with occupancy reaching 96%
- Accounted for approximately 35% of intercity bus traffic across the Kingdom, serving close to one million passengers
- Stronger collection efficiency and tighter operating and financial discipline, alongside completion of the operating manual and further progress in governance readiness

AlTameer International Car Auction

- Full digital transformation delivered in partnership with Elm through the Mazadat platform, covering registration, entry, verification, and electronic payment
- Introduction of a hybrid auction model, elimination of cash payments, and activation of verification through Nafath
- Better operating efficiency, greater transparency and security, and occupancy reaching 92%

Otaiqah Central Market

- Achieving notable financial growth with a 10% increase in income
- High operating efficiency, reflected in 93% occupancy across commercial and administrative assets
- Broader market activity through the introduction of new categories within the fruits and vegetables segment, supporting diversification of use, raising the destination’s appeal, and contributing to more sustainable performance

Otaiqah Dates Season 2025

- Delivery of awareness and engagement programmes in partnership with specialized entities
- A better visitor experience and a clear rise in attendance
- Support for farmers and traders, alongside stronger awareness of agricultural value chains

Riyadh AlTameer Market and Cold Storage & Freezing Warehouses

- Upgrading the market environment through better service quality and a more efficient customer experience
- Execution of a ten-year lease for the cold storage and freezing warehouses, supporting operating stability and sustainable cash flows.
- A collection rate of 99.2%, reflecting financial discipline and the strength of the operating platform

Almalqa Business Center

- Full operating stability, with occupancy maintained at 100%
- More efficient operating procedures and stronger asset management

Excellence

ARDCO reinforced its institutional standing through an integrated operating approach grounded in effective governance, disciplined compliance, and quality standards, raising execution efficiency and supporting the long-term sustainability of value.

Continued zakat linkage with the Zakat, Tax and Customs Authority through year-end 2024, reflecting regulatory discipline and the strength of the Company's financial governance.

Receipt of international professional accreditations and certifications, alongside institutional awards reflecting excellence in governance, quality, information security, information technology, health and safety, and the real estate sector.

High levels of employee satisfaction and engagement, alongside the reinforcement of a positive workplace culture built on trust, credibility, respect, and team spirit.

Legal, Governance, and Compliance Updates

The Legal, Governance, and Compliance function is central to the resilience of the Company's institutional framework. It does so by embedding compliance with applicable laws and regulations, managing legal and regulatory risk with discipline, and developing an integrated governance framework that supports strategic decision-making while safeguarding the Company's rights and shareholders' interests. Over the past period, the Company advanced its legal and control environment in ways that further prepared it for growth and expansion in line with high professional standards, through the following:

- **Strengthening the legal and contractual framework:**
  Standardizing templates for contracts, agreements, and memoranda of understanding; completing the statutory procedures associated with the capital increase; preparing Board minutes and shareholder resolutions in accordance with approved frameworks; and registering the trade names related to the Company's activities.
- **Establishing the Governance, Risk, and Compliance (GRC) framework:**
  Putting in place an integrated institutional framework that supports regulatory compliance and brings governance, risk management, and compliance into a single methodology directly connected to the Company's strategic direction.
- **Putting the Enterprise Risk Management (ERM) framework in place:**
  Adopting ISO 31000 as the basis for risk management; developing a comprehensive risk register covering strategic, operational, and regulatory matters; and clearly defining responsibilities across the lines of defense.
- **Developing policies and institutional oversight:**
  Drafting and updating a set of policies that support integrity and transparency, including anti-corruption, conflict of interest, whistleblowing, and related-party policies; activating mechanisms to monitor regulatory compliance; and submitting periodic reports to senior management and the Audit and Risk Committee.
- **Building institutional readiness and long-term sustainability:**
  Developing internal capabilities able to operate the GRC framework on a sustained basis; raising regulatory and supervisory readiness in dealings with relevant authorities; and supporting business continuity and the protection of the Company's long-term value.

Investment Performance and Real Estate Development Updates

Since the launch of our strategy at the beginning of 2023, Riyadh Development Company has been committed to identifying and creating sustainable investment opportunities aimed at optimizing the use of available assets and resources. Through this approach, we work to accelerate growth in our targeted sectors and to maximize overall returns for investors by diversifying our investment portfolio, thereby strengthening the Company's financial position as well as its ability to meet the increasing demand in the real estate market.

We are also dedicated to supporting the renaissance and prosperity of Riyadh, with a focus on enriching experiences in line with Saudi Arabia's Vision 2030. We are keen to actively contribute to the transformation underway in the capital through pioneering projects that align with the major events Riyadh will host in the coming period, thus enhancing Riyadh's position as a leading global destination economically and culturally.

Ambitious Growth and Strategic Transition

Built on the experience it has accumulated in real estate development and infrastructure, and on the operating and investment successes of recent years, the Company directed its 2025 priorities toward making fuller use of those capabilities through a sharper investment focus centered on partnership activation and stronger institutional capacity. This reflected the new phase ARDCO entered following the capital increase resulting from its strategic partnership with Remat Al-Riyadh Development Company, the development arm of Riyadh Region Municipality. As the investment portfolio diversified and the Company's asset base expanded, the need emerged for an integrated framework for real estate project development - one capable of turning agreements into clear execution pathways and carrying the partnerships signed over the past year forward within a disciplined institutional structure linking planning, design, execution, and operation.

That direction is closely aligned with Riyadh's major development ambitions and the global milestones ahead. The Company has therefore aligned its investment plans with the city's urban and economic momentum in ways that strengthen its ability to capture promising opportunities, expand its resource base, and deepen its investment impact over the medium and long term.

In that context, it undertook a comprehensive review of its asset portfolio, reassessing the most appropriate investment direction for each asset in line with regulatory and legislative developments, improving capital allocation efficiency, and reinforcing readiness to pursue high-value opportunities.

"In 2025, we are turning accumulated experience into disciplined execution through activated partnerships and an integrated development approach that advances our readiness for the next phase, aligns with ARDCO's strategic direction, creates added value for shareholders, and contributes meaningfully to Riyadh's economic and development momentum."

Enabling Growth: Leveraging Financial Strength to Capture Opportunity

The 2025 capital increase, implemented through the acquisition of real estate assets from Remat Al-Riyadh Development Company, the sustainable development arm of Riyadh Region Municipality, marked a strategic step that reshaped the Company's next phase. It gave rise to an ambitious development partnership that stood among the year's defining milestones and expanded both the scale and diversity of the real estate portfolio. In turn, this increased financing flexibility and lifted ARDCO's investment readiness, supported by a wider partnership network, new investment and development agreements, and an integrated investment approach focused on projects with strong fundamentals and durable value creation potential.

A stronger financial base thus gave rise to a more mature operating and investment phase, one in which development, management, and investment selection work in closer concert to support greater ambition and more sustainable growth:

I. Execution Maturity: Strategic Alliances, Shareholder Value, and the Activation of the Real Estate Development Framework

In 2025, the Company's development path entered a more mature stage, moving from partnership formation to operational execution within a well-governed framework. That shift rested on an established operating record that enabled ARDCO to shape its experience into an integrated real estate development methodology spanning the full cycle from planning and design to execution and handover, with clear sequencing and firm financial control across approved budgets and delivery schedules.

It also advanced readiness for the next wave of execution in 2026, reflecting the maturity of the operating model and the coherence of the Company's development and management capabilities.

In parallel, ARDCO further reinforced its institutional readiness to respond to regulatory and legislative change through adaptability, strategic refinement, and deliberate deployment of capabilities as a basis for sustainable growth and operating excellence.

"We invest with strategic discipline, in step with Riyadh's development momentum, to deepen impact and create sustainable long-term value."

2. Reframing the Role: Expanding as a Development Manager and Place-Maker

As Riyadh's urban transformation gathers pace, ARDCO has redefined its role in the real estate market, moving beyond the model of a conventional investor to that of an integrated developer and development manager able to lead projects across the full life cycle - from concept and feasibility through design, execution, operation, and exit. In doing so, the Company has extended its contribution beyond capital provision into a broader development role that helps shape place and create lasting value across the capital's urban landscape.

To support that role, the Company has adopted a more focused sector approach, concentrating on real estate segments supported by sustained demand and attractive returns - particularly residential, office, logistics, and educational development - while also building its hospitality capabilities through mixed-use projects in response to the expansion of tourism and major events. This direction reflects a vision of integrated urban communities serving a wide range of users and an investment philosophy rooted in place-making and the improvement of quality of life.

The Company has likewise incorporated national shifts and major projects on the horizon into its investment planning criteria, strengthening readiness to pursue promising opportunities and giving it greater flexibility in directing capital toward areas of highest growth and impact, while preserving a selective approach to distinctive opportunities.

3. Selective Investment: Redirecting Capital toward High-Potential Opportunities

ARDCO manages its assets through an integrated approach designed to maximize value and improve portfolio efficiency. This begins with a comprehensive review of each asset, its current performance, and its future potential, allowing the Company to determine the most appropriate course in each case - whether through development, repositioning, or divestment.

This approach aligns with the Company's strategic direction and considers regulations related to land use and other regulatory developments. It aims to redirect resources towards assets and sectors with higher priority and potential, sharpen the focus of investment decisions, and support the Company's chosen growth paths.

Investment Projects Under Development

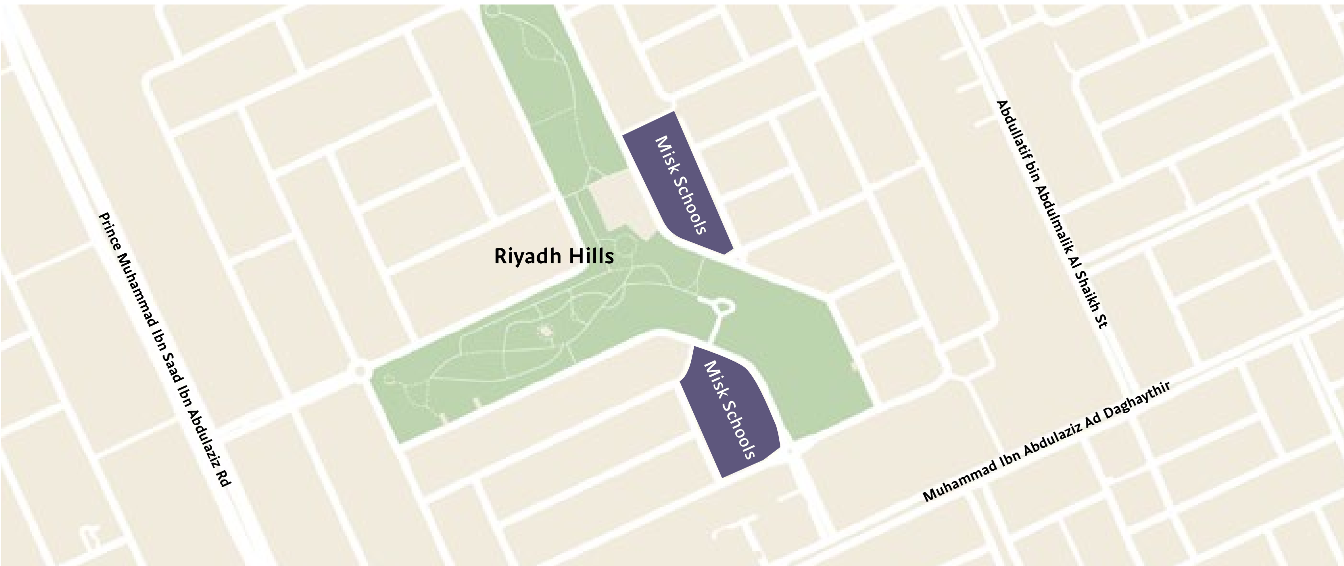
01. Educational Complexes in Partnership with the Mohammed bin Salman Foundation (Misk)

This project sets a high standard for Premium Schools: a future-ready educational environment designed for relevance, durability, and long-term sustainability. Its scope encompassed the integrated design of educational facilities, contemporary learning spaces, advanced laboratories, and sports facilities built to leading international standards. Together, these elements support the quality of the educational experience, while high-specification finishes and durable material choices contribute to operating efficiency and long-term sustainability.

Delivered under a 25-year framework agreement with the Mohammed bin Salman Foundation (Misk), it is the first ARDCO-led educational complex to be developed to international specifications and executed to this level of quality. The project was planned and delivered through an integrated approach that embedded sustainability requirements and LEED standards from the earliest design stages, enabling stronger coordination across delivery and helping reduce long-term lifecycle costs in line with global best practice.

The schools are now fully operational, marking the transition from planning and development to direct educational impact. That transition reflects a close alignment between the project's development outcomes and Misk's educational vision to redefine the learning experience and establish an advanced educational model attuned to future global standards.

Location	Al Malqa, Riyadh
Project Cost	SAR 275 million (including land value)
Land Area	21,171 sqm
Built-Up Area	35,000 sqm
Gross Floor Area	24,800 sqm
Area Allocation	42% boys | 58% girls
Development Strategy	Led by ARDCO's Real Estate Development Team
Operating Strategy	Pre-contracted / Build-to-Suit



Agreement Signing Date: 2023 September
Construction Start Date: 2024 April
Handover Date: 2025 July
Operations Start Date: 2025 August

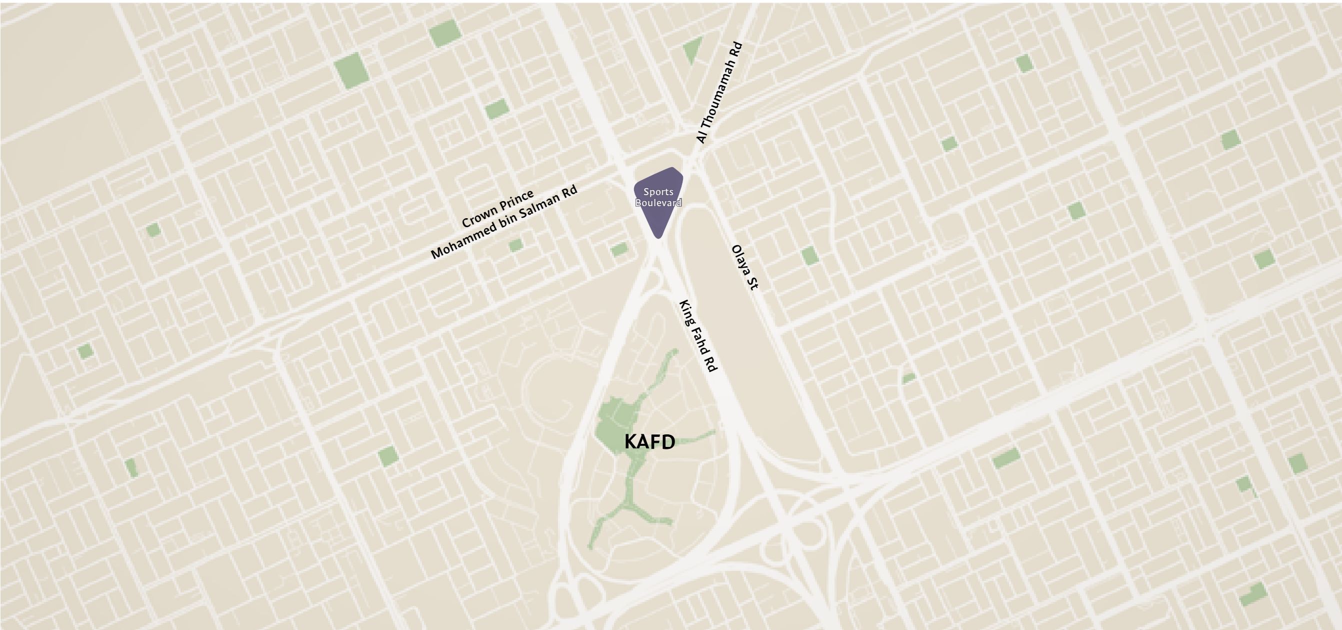
02. Mixed-use Towers at Sports Boulevard

Located in the Urban Wadi district within the Sports Boulevard master plan, the project adds a distinctive element to Riyadh's skyline as one of the city's tallest towers and contributes to its evolving architectural identity. It reflects the principles of Salmani architecture, with open views, landscaped green space, active pedestrian routes, and integrated retail and dining experiences, supporting its role as a fully integrated urban destination with both tourism and economic significance. The project is also planned within the framework of LEED Neighborhood Development – Gold, a recognized international benchmark for the quality and sustainability of urban communities.

The project is being advanced through a strategic investment alliance with FTG Development, in partnership with Sports Boulevard Foundation, and through the real estate investment fund created for the partnership under the management of Jadwa Investment. This structure brings together complementary roles, shared expertise, and specialized capabilities, particularly in hospitality, in the delivery of one of Riyadh's major projects. The development includes mixed-use towers comprising office, residential, hospitality, and retail uses, together with an upscale five-star urban hotel.

Location	Intersection of King Fahd Road and Prince Mohammed bin Salman Road (formerly the Dallah site)
Project Cost	SAR 3.6 billion (including land value)
Land Area	39,800 sqm
Built-Up Area	400,000 sqm
Gross Floor Area	207,500 sqm
Area Allocation	Residential 56% | Offices 25% | Hospitality 16% | Retail 3%
Development Strategy	Joint development with FTG Development through a real estate investment fund managed by Jadwa Investment
Operating Strategy	Developed for lease, with the option to divest

The land, formerly Dallah Driving School land, is located within the Sports Boulevard Urban Wadi project at the intersection of King Fahd Road and Prince Mohammed bin Salman Road.



Project Start Date (Land Acquisition)	Development Start Date	Expected Operations Start
2024 December	2025 March (including design)	2029 Q4

Branded residential apartments
800

5-star hotel rooms
250

Offices spaces
52,000 sqm

Retail spaces
6,000 sqm

03. Al Morooj Mixed-use Development

Al Morooj occupies a strategically important site within an integrated urban setting, distinguished by strong connections to major road networks and convenient access through the Riyadh Metro and wider public transport system. This connectivity supports the vitality of the surrounding area, while placing the development close to major landmarks and urban corridors across the capital. The site accordingly carries substantial development value and enhances the project's appeal as a location capable of accommodating integrated urban development with lasting impact.

The project also represents an important step forward for the area itself. By reshaping a site of clear strategic significance, it creates added value for shareholders while turning the location into a model of place-making and integrated community building. In doing so, it supports social well-being, raises the quality of the built environment, and reflects the Company's direction toward mixed-use communities that contribute to Riyadh's evolving urban form.

Al Morooj is being planned and developed as an integrated urban community centered on resident well-being and quality of life, shaped around a vibrant green setting and targeting project-wide certification under LEED Neighborhood Development – Gold. This reflects a clear commitment to international best practice in the planning and delivery of sustainable neighborhoods, with LEED-ND recognized globally as a benchmark for the sustainability of urban districts and communities.

The project is based on a comprehensive master plan comprising residential buildings and townhouses designed to provide a safe living environment that respects privacy and supports quality of life, alongside open green spaces, walkable routes, and a mix of office, commercial, and retail uses. Together, these elements create an integrated urban experience for residents and visitors alike, while supporting a development-for-lease model that improves land-use efficiency, generates sustainable economic value, and contributes to total shareholder return over the long term, alongside a stronger public realm and a better urban environment.

Location	Al Morooj District, Riyadh
Project Cost	SAR 3.3 billion
Land Area	214,000 sqm
Total Built-Up Area	256,800 sqm
Area Allocation	Residential 55% | Townhouses 13% | Offices 20% | Retail 11% | Parks 15,000 sqm
Development Strategy	Led by ARDCO's Real Estate Development Team
Operating Strategy	Development for lease

Land Acquisition	Project Start	Development Start	Expected Operations Start
2025 January	2025 May	2025 July	2029 Q2

Residential
55%
950+
apartments

Townhouses
13%
154
units

Offices
20%
51,000
sqm

Retail
11%
28,000
sqm

04. Development and Operation of a Logistics Complex supporting Supply Chains

This project will develop and manage logistics warehouses on a site of approximately 98,000 sqm on Dammam Road. It extends ARDCO's presence in logistics services while contributing to the diversification of its investment portfolio.

The project sits within the Company's focus on sectors supported by sustained growth, with logistics standing out as a key enabler of the national economy. It is intended to improve supply chain efficiency while responding to the Kingdom's development momentum, the expansion of major national projects, and rising demand for advanced logistics services, thereby widening the investment opportunity set and supporting long-term shareholder value.

Location	Al Rimal District, Riyadh
Project Cost	SAR 227 million
Land Area	97,904 sqm
Built-Up Area	58,000 sqm

Project Start Date	Development Start Date	Expected Operations Start
2025 January	2025 September	2027 QI

Facts and Figures:
Investment Performance and Real Estate Development

Total Projects Size

8.835 Bn SAR

ARDCO Share

3.227 Bn SAR

Total Built-Up Area

900,000+ sqm

Areas by Usage Type

Educational complexes
(two educational complexes)

21,000+ sqm

Residential
(Approximately)

300,000 sqm

Offices

100,000+ sqm

Retail

34,000+ sqm

Logistics

58,000+ sqm

The figures provided are based on feasibility studies approved by the Board of Directors and may be updated according to each project's economic feasibility or strategic suitability requirements. Financial figures are presented in Saudi Riyals (SAR) and areas in square meters unless otherwise stated.

Operational Performance

Since the launch of the Company's strategy in 2023, ARDCO has continued to build institutional capability and advance internal governance in ways that support more efficient management of its markets and commercial centers, stronger operating and financial performance, and higher total shareholder return, in line with the goals of Saudi Vision 2030.

Achieved Operating Objectives

Activating institutional capability through unified operating frameworks and integrated internal systems.

Accelerating the digitization of operations and the management of assets, facilities, and contracts.

Reinforcing safety, quality, and compliance in line with approved standards.

Raising operating readiness to ensure a safe and sustainable working environment.

Advancing the operating platform through updated procedures and operating manuals.

Developing and improving the readiness of operational and administrative offices for Company employees, and enhancing the efficiency of customer and beneficiary reception centers.

"We continue to develop and manage our centers and markets in line with sustainable operating standards that improve efficiency and reinforce governance, securing their role as vital platforms that support the local economy and contribute to the quality of life in Riyadh."

Capability Building and the Advancement of the Operating Platform

01. Operational Excellence and Institutional Standards

- Activation of an integrated digital system for Computer-Aided Facility Management (CAFM).
- Digitization of operating processes, with improved maintenance efficiency and faster response times.
- Fewer breakdowns and stronger operating reliability.
- Updating and maintaining ISO standards for Facilities Management (ISO 41001), Occupational Health and Safety (ISO 45001), and Quality Management (ISO 9001), together with periodic reviews to ensure compliance and continuity of certification.
- Updating operating, project management, and maintenance manuals in support of stronger governance.
- Enabling teams and raising professional capability through specialized training programmes and professional licensing.

02. Contract Management and Compliance

- Further strengthening institutional integration through ongoing coordination with regulatory authorities and compliance with applicable statutory requirements.
- Completion and renewal of statutory licenses and permits across all centers and markets, in line with legislative changes and evolving supervisory requirements.
- Completion of 80% of the requirements for the FAL license as part of the launch plan for the AlTameer Business application.
- Development of a digital framework for contract management and registration through enhancements to the CRM system and updated contract classification templates (leasing / operating / services).
- Further strengthening professional readiness through:
    - Enabling 13 employees to obtain the FAL license accredited by the Real Estate General Authority;
    - Delivery of a 50-hour training programme across three courses in cooperation with the Real Estate General Authority; and
    - Training programmes in effective communication, negotiation, and customer experience management to enhance service quality.

03. Raising Safety and Security Standards

Obtaining specialized certifications in safety systems, raising operating readiness across centers and markets, supporting completion of statutory licenses, compliance with applicable requirements, and operating efficiency.

Development of emergency and incident response arrangements through preventive protocols that include periodic inspection and continuous training.

Improving the efficiency and reliability of safety and monitoring systems by addressing technical observations, meeting the requirements of the relevant authorities, and supporting continuity of operations through backup power systems (UPS).

Highlights Across Markets and Operating Projects

Al-Aziziyah Fruits & Vegetables Market Wholesale

The wholesale market delivered strong operating and financial performance, with occupancy reaching 99% and the collection rate 99.9%, alongside 3% growth in operating revenue, equivalent to approximately SAR 5 million.
This was driven by improved operating procedures and faster adoption of technology solutions that support efficiency and governance.

Digital Transformation

Activation of the electronic platform, bringing coupon sales and collections to 70% digital conversion through automated collection procedures, reduced cash handling, and automated vehicle entry and exit through an electronic registration system that improves traffic flow and oversight.

Launch of an integrated digital customer service system for tickets and complaints, supported by screens and self-service devices, to improve response times and expand access to operating services.

Adopting leading international practices in fresh produce market development as part of the Company's broader direction to develop the fresh produce market system and support food security:

- **Global benchmarking visits:** ARDCO conducted field visits to 20 markets worldwide, including food and technology complexes and wholesale fresh produce markets, to draw on and adapt leading operating and digital practices.
- **Drawing on global expertise:** Hosting a delegation of representatives from wholesale market associations in China to review operating best practice and improve the efficiency of managing and operating central markets; and

  Working with international specialists on the preparation and development of the markets' master plan, supporting integrated urban planning and improving the quality of development outcomes.

Projects

Modernization and Development of Al-Aziziyah Fruits & Vegetables Market

The development of Al-Aziziyah Fruits & Vegetables Market is a strategic initiative aimed at reinforcing its role as a core part of Riyadh's food system.
By improving operating efficiency, modernizing infrastructure, and strengthening the business environment, the project supports a more efficient and sustainable market model. Phase One has already commenced under a carefully sequenced implementation plan designed to preserve business continuity during the works, maintain the confidence of traders and stakeholders, and support the market's transition to a stronger operational footing.

Objectives

- Align the development project with the Kingdom's goals for food security, quality of life, and sustainable urban development.
- Upgrade infrastructure in ways that improve product quality and the safety of trading operations.
- Deliver the works in planned phases that preserve business continuity and reduce operating disruption.

Expected Benefits

Shoppers

- Greater variety and more reliable year-round availability of fresh produce.
- Better clarity across market movement and an easier wholesale purchasing process.
- A safer, more orderly market environment that builds confidence while shopping.
- A more complete buying experience that reflects the market's development and professional standards.

Traders

- Higher operating efficiency through expanded and upgraded space and a broader mix of categories.
- Greater fairness and transparency through equal access to opportunity and a more organized business environment.
- Lower operating risk arising from congestion or unstructured activity.
- A more stable commercial setting that encourages expansion and long-term investment.

"Advancing the customer experience is a central part of our operating model and a foundation for trust and sustainable growth."

AlTameer Public Transportation Center

In 2025, AlTameer Public Transportation Center recorded an occupancy rate of 96%, up 1% on the previous year, while achieving a collection rate of 99%.

This performance was delivered despite nearby Riyadh Metro development works, which had a direct effect on access and operating movement, underscoring the effectiveness of management and its ability to maintain stable performance under challenging conditions.

Operating Arrangements

- Represented approximately 35% of intercity bus traffic across the Kingdom and served close to one million passengers.
- Introduction of a tiered pricing model for trips, supporting higher revenue.
- Better collection efficiency and tighter control over operating and financial processes.
- Completion of the operating manual and further progress in governance readiness.

Projects

Center Building Upgrade and Refurbishment

- Modernization of operating yards and improvement of infrastructure efficiency.
- Upgrading administrative offices to create a more professional working environment and a better customer experience.
- Refurbishment of customer service counters to speed up transaction handling.
- Reorganization and improvement of bus yards to support smoother movement and passenger safety.
- Allocation of parking and garage areas for carriers to improve access and the flow of trips.

AlTameer International Car Auction

In 2025, AlTameer International Car Auction delivered strong operating performance, with occupancy reaching 92% and the collection rate 99%, while the average value of vehicles sold rose to approximately SAR 53,000. This strengthened the auction's appeal to traders and suppliers and supported revenue growth. The platform also set a new operating record, with more than 124 vehicles offered in a single auction session - the highest level since launch and well above the previous peak of 70 vehicles in one session. This points to growing confidence in the platform, stronger operating efficiency, and a greater capacity to handle larger volumes than in prior years.

The year also saw the full activation of the partnership with Elm, accelerating digital transformation, improving procedural efficiency, and increasing the reliability of operating processes.

مزادات
Mazadat

Digital Transformation

Services delivered in cooperation with Elm through the vehicle auction platform and the Mazadat application:

Full digitization of registration and sales processes
Electronic vehicle registration and entry, verification through Nafath, support for ownership transfer procedures through Absher, cashless buying and selling through secure direct account-to-account transfer, and full automation of bidding cards.

Professional presentation and marketing of vehicles
Vehicles are photographed and uploaded to the platform with detailed information, a price index, and indicative valuation.

Access from across the Kingdom
Vehicles can be sold from outside the auction site, and banks are able to place their vehicles on the platform.

Seamless digital onboarding for sellers
New sellers can apply to join, upload the required documents, and sign contracts electronically.

Integrated pre- and post-sale services
These include full technical inspection before listing, dedicated viewing screens, and post-sale services such as insurance and window tinting.

Operating Arrangements

- Introduction of a hybrid auction model combining in-person attendance with electronic bidding.
- Greater auction appeal and a higher average value for listed and sold vehicles through faster digital adoption and the launch of the electronic auction, which broadened participation and strengthened bidding competitiveness.
- Off-site auctions held for the first time in Jeddah, Dammam, and Riyadh.
- Wider geographic reach through the digitization of buying and selling procedures, enabling participation from customers across the Kingdom.
- A better customer experience through the creation of a dedicated vehicle photography studio, together with technical inspection and visual documentation services, improving transparency, presentation quality, and confidence in sale transactions.
- An integrated suite of digital services introduced in cooperation with Elm, including Wasool, Mojaz, Tam, Dhamen, and the Pricing Index service, strengthening transparency and process reliability while improving the efficiency of buying and selling procedures.
- A broader seller base through the entry of new institutions and companies into the auction.

Future Direction

As part of its forward agenda to support the auction's growth and broaden the scope of its operations, the Company will focus on the following initiatives:

- Expanding vehicle sales services for individuals in order to grow the new customer base and support the continued growth of demand.
- Developing transport and accommodation services through partnerships with specialized providers, enabling the buying and selling of vehicles from across the Kingdom with greater efficiency and ease.
- Activating seasonal marketing campaigns to sharpen customer targeting and strengthen the auction's visibility and reach.

Otaiqah Central Market

In 2025, Otaiqah Central Market delivered strong financial and operating performance.
Income rose by 10%, and occupancy reached 93%, while collections amounted to 80% of outstanding receivables.

Operating Arrangements

100 percent occupancy achieved across all commercial and administrative assets.

Successful delivery of the fourth Otaiqah Dates Season, with the venue fully leased and all rental dues collected in full.

Diversification of market offerings through the introduction of new categories within the fresh produce segment, significantly enhancing the destination's commercial appeal.

Resolution of outstanding receivables totaling approximately SAR 9.8 million through structured settlements with defaulting customers, successfully recovered without the need for litigation.

Partnerships

ARDCO established a landmark partnership with Royal FloraHolland, one of the world's leading flower auction house, to develop a specialized floral auction ecosystem in the Kingdom. This collaboration aims to cement Riyadh's position as a premier regional hub for the floral industry through:

- The establishment of a Regional Center for Royal FloraHolland in Riyadh to serve the Middle East and Africa.
- The curation of a signature annual flower exhibition, hosted for one week at the Otaiqah Dates Season venue.
- The launch of the Kingdom's inaugural professional flower auction, setting a new benchmark for the sector.

موسم عتيقة للتمور

Otaiqah Dates Season

The fourth Otaiqah Dates Season stands as a flagship initiative designed to stimulate Riyadh's local economy and reinforce the city's role as the national epicenter for the date industry. The 2025 edition achieved a major milestone by attaining profitability for the first time, outperforming its income targets by 5 percent. Organized under the patronage of the Riyadh Region Municipality, the Ministry of Environment, Water and Agriculture, and the National Center for Palms and Dates, the Season benefited from the active participation of the Saudi Tourism Authority. This collective support has solidified the event's status as a vital national platform for the sector.

Beyond its economic impact, the Season celebrated the nutritional and economic value of Saudi date varieties while highlighting their central role in the Kingdom's cultural heritage and national identity.

Operating Arrangements

- 66 percent growth in sponsorship value achieved through the successful acquisition of high-profile partners.
- Extensive out-of-home (OOH) media presence delivered via a Riyadh Municipality-sponsored campaign across 94 digital screens during the first two weeks of each month.
- High-impact media coverage generated across official national channels and diverse digital platforms.
- Finalization of licensing for the event hall, qualifying the venue for commercial third-party leasing in accordance with regulatory standards.
- Integration of social impact and operations through the allocation of strategic zones for business incubators and charitable associations.
- Delivery of high-level professional workshops, featuring:
  - more than 7 workshops presented by the Culinary Arts Commission;
  - more than 4 workshops presented by the Ministry of Agriculture; and
  - a specialized workshop organized by the Agricultural Development Fund and the National Center for Palms and Dates.

Riyadh AlTameer Market and Cold Storage Warehouses

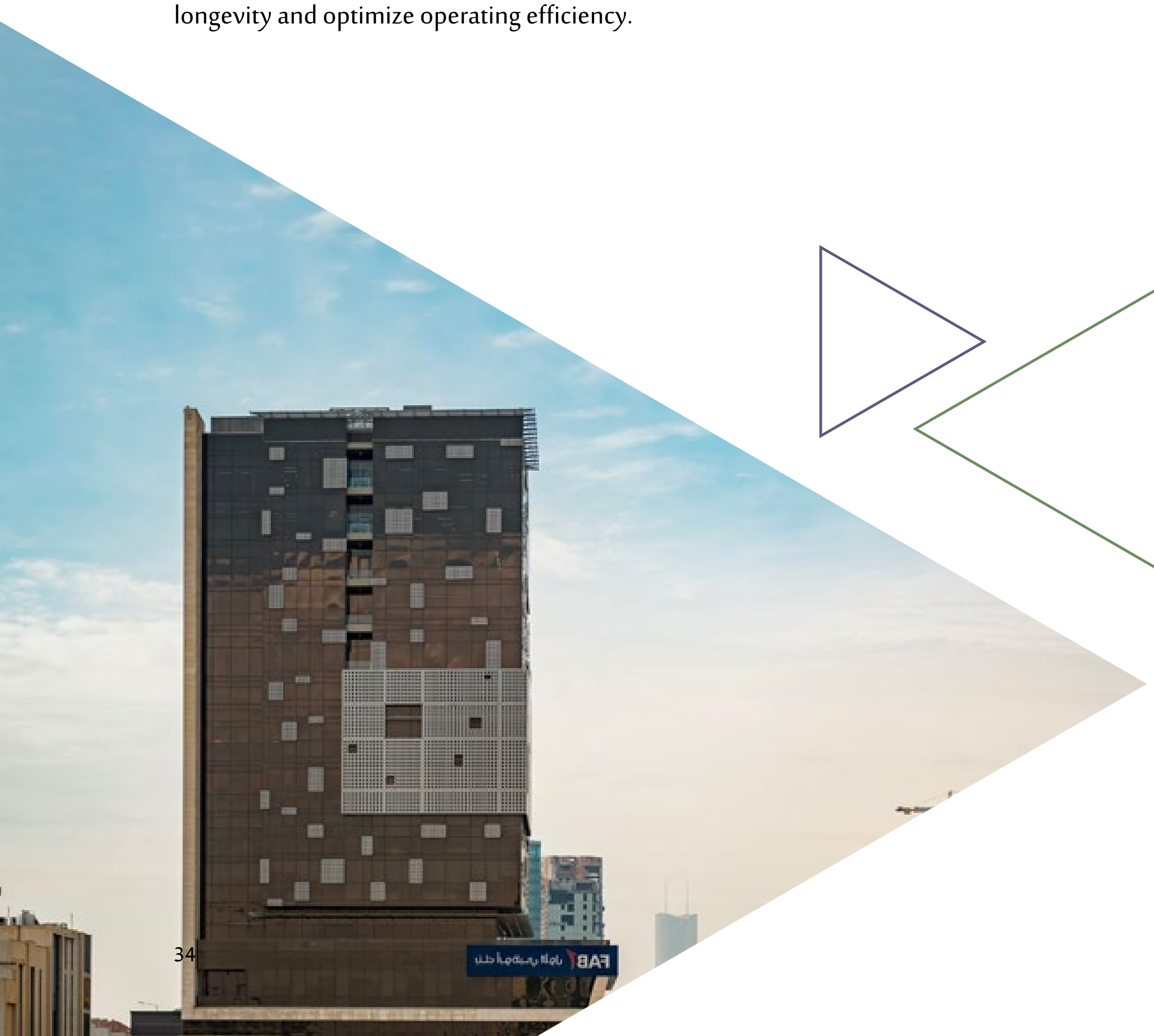
Riyadh AlTameer Market, alongside its cold storage and freezing facilities, delivered advanced operating results. A primary driver was the full occupancy of the cold storage warehouses, secured under a ten-year agreement with the National Agricultural Development Company (NADEC). This strategic partnership, coupled with an increase in overall leasing from 65% to 95% and a collection rate of 99.2%, underscores the robustness of the facility's operating performance and the sustainability of its revenue streams.

Operating Arrangements

- Upgrading building façades at Riyadh Market to align with modern urban landscape standards.
- Securing building compliance certificates in strict adherence to updated regulatory requirements and approved statutory standards.
- Enhancing the customer journey and professional work environment by elevating service quality and driving operational efficiency throughout the market.

Almalqa Business Center

Almalqa Business Center (ARDCO Tower) maintained its trajectory of stable financial and operating performance. The asset closed the year with 100 percent occupancy and a 100 percent collection rate, successfully meeting all revenue targets. Continuous development and proactive maintenance programs were executed in parallel to safeguard asset longevity and optimize operating efficiency.



Facts and Figures: Operational Performance

95%
Occupancy Rate in Centers

99.3%
Collection Efficiency

Al-Aziziyah Fruits & Vegetables Market Wholesale

70%
Digital Transformation

99%
Occupancy Rate

100%
Collection Rate

966
Units

8,000
Average Daily Market Users

540,000
Annual Incoming Goods Vehicles

1.12 Mn
Annual Shoppers' Vehicles

5 Mn SAR
Growth in Operating Revenue

3.77 Mn tons
Traded Goods

374
Subscribers

Transportation Center

3,300
Average Daily Passengers

1.2 Million
Total Passengers

4,000
International Trips

32,700
Domestic Trips

4,100
Umrah and Hajj Trips

Otaiqah Date Season

20.2 Million
Packages Sold

262 Mn SAR
Value of Dates Traded

948,000
Season Visitors

Facts and Figures: Operational Performance

Car Auction

174 Mn SAR
Value of Cars Traded

3,900
Cars Sold

7,800
Bidding Cards

31
Car Sale Agreements

136
Auctions Held

Mazadat Application Data
(In collaboration with Elm)

30,000+
App Downloads

13,000+
Registered Customers

5,000+
Auctions Conducted Electronically

100,000+
Number of Bids

53,600 SAR
Average Vehicle Sale Price

10
Average Number of Bidders per Vehicle

22
Average Number of Bids per Vehicle

Institutional Performance and Sustainability

People and Corporate Culture

The Human Resources and Services function continued to strengthen the Company's human capital, reinforce governance, and improve the employee experience through policies and initiatives designed to support sustained performance.

Developing Employment Practices

- Updating human resources policies to support operating efficiency and regulatory compliance.
- Improving the work environment through stronger organizational policies and practices.
- Enhancing the employee performance evaluation system to promote transparency and improve institutional performance.

Training and Capability Building

A comprehensive annual training plan was developed and delivered through a blended format combining in-person training, virtual learning, group sessions, and digital self-study:

- Launch of Riyadh Development Academy as an institutional platform for professional development, linking learning pathways to succession planning and the development of future leaders.
- Delivery of induction and training programmes with an 84% completion rate.
- Design and implementation of integrated onboarding programmes to accelerate the integration of new employees and strengthen their professional readiness.
- Inclusion of artificial intelligence topics within the training plan to build digital awareness and capability.
- Training of 93% of the workforce (132 employees) through a total of 6,300 training hours.

Work Environment

The Company received the Great Place to Work certification for the second consecutive year, with employee engagement reaching 89%, an increase of 7% points over the previous year. This reflects the continued application of employee-focused policies, including greater workplace flexibility and upgrades to facilities and operating infrastructure at Otaiqah Central Market, AlTameer Public Transportation Center, and Al-Aziziyah Fruits & Vegetables Market.

These improvements included:

- Upgrading internal facilities to improve the quality and efficiency of the working environment.
- Strengthening safety, security, and monitoring systems.
- Improving first-aid procedures and reinforcing occupational safety standards.
- Conducting periodic health campaigns in cooperation with the healthcare provider Bupa, including medical screening, awareness activities, and seasonal vaccination, to support employee well-being and preventive care.

Digital Transformation

The Information Technology function implemented a series of initiatives that modernized the Company's technology environment and improved operating efficiency:

- Development and activation of the IT and cybersecurity strategy in support of corporate priorities and the protection of digital assets.
- Launch of a supplier services portal to streamline registration, tender management, and electronic data updates, while completing the integration of the procurement cycle with financial systems and payments.
- Automation of performance indicators across the Company to improve transparency and measurement accuracy.
- Automation and implementation of 15 administrative and operating processes, contributing to higher productivity and faster execution.
- Delivery of the security transformation project and migration to Microsoft 365 E5, strengthening digital identity, security, and compliance.

"Sustained performance begins with our people. Guided by this principle, we cultivate a corporate culture that shapes leadership, deepens engagement, and inspires excellence."

Legal Affairs and Governance

Legal and Regulatory Updates

The Legal, Governance, and Compliance function operates as the primary safeguard for corporate interests and strategic decision-making. By embedding strict adherence to statutory frameworks and proactively mitigating legal and contractual exposures, the department anchors business stability and firmly protects corporate rights.

Moving forward, the strategic priority centers on elevating the operational capacity of all legal divisions under the direct oversight of the Board of Directors. This focus guarantees maximum regulatory compliance, broadens legal protections, and provides the structural agility needed to navigate complex growth phases.

"We drive corporate expansion through uncompromising governance and a cohesive compliance architecture, ensuring complete transparency, enforcing operating discipline, and building institutional trust."

Key Highlights & Milestones:

- Drafting and standardizing templates for commercial contracts, agreements, MoUs, and NDAs to streamline cross-functional operations.
- Finalizing the rigorous statutory procedures required to successfully execute the corporate capital increase.
- Structuring Board minutes and shareholder resolutions in strict alignment with approved legislative mandates.
- Securing intellectual property through targeted commercial name registrations aligned with core business lines.
- Completing the procedures for establishing the Fresh Products Supply Chain Solutions Company (a Company fully owned by Riyadh Development).
- Transferring the assets and personnel of the newly established Company legally and seamlessly according to the specified timeline.

Governance, Risk, and Compliance (GRC)

Operationalizing the GRC function serves as a critical driver for advancing corporate governance, guaranteeing regulatory alignment, and embedding a robust ERM framework. This sophisticated structure provides the Board and Executive Management with the definitive risk intelligence required to execute strategic decisions, sustain operations, and protect enterprise value over the long term.

The GRC mandate encompasses the modernization of internal policies, the enforcement of regulatory directives, and the continuous assessment of enterprise-wide risks. By channeling precise risk and compliance data to Executive Management and the Audit and Risk Committee, the department successfully unifies all oversight efforts into a single, cohesive institutional matrix.

ARDCO executed this integration utilizing a phased, ISO-aligned methodology. By systematically advancing through risk analysis, policy development, capacity building, and digital implementation, the Company built a highly sustainable management framework rather than a temporary compliance overlay.

Anchoring the ERM framework to the ISO 31000 standard ensures high structural flexibility and seamless synchronization with overarching strategic goals. This proactive risk posture directly elevates the integrity of internal controls, maximizes business continuity readiness, and resolutely protects shareholder interests to secure confident expansion.

Key Deliverables

- Formulating a comprehensive corporate policy suite designed to drive integrity and transparency. This includes definitive frameworks for Policy Management, ERM, Risk Appetite, Anti-Bribery and Corruption, Insider Trading, Related Party Transactions, Conflicts of Interest, and Whistleblowing.
- Developing a robust enterprise risk register that accurately maps strategic, operational, and regulatory vulnerabilities.
- Establishing a clear definition of roles and responsibilities across the relevant corporate lines of defense.
- Delivering accurate periodic reporting to empower Senior Management and the Board of Directors.
- Activating a robust tracking mechanism to ensure continuous statutory adherence and regulatory alignment.
- Cultivating specialized internal competencies to independently sustain the GRC framework.
- Maximizing institutional readiness to engage proactively and confidently with external regulatory authorities.

Establishing the Enterprise Project Management Office (EPMO)

The EPMO unifies frameworks, methodologies, and governance controls at the Company level; ensures projects align with corporate strategy; monitors performance using clear time, cost, and quality indicators; and proactively manages risks and deviations; thereby enhancing executive discipline, increasing transparency, and helping maximize shareholder value.

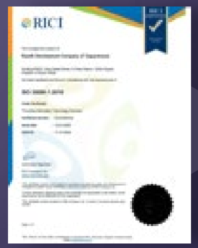
In 2025, 14 projects across various sectors; including investment and development, shared services, strategy, finance, governance, and risk; were actively monitored with regular reviews of implementation stages, schedule and budget deviations, key risks, and mitigation plans. This oversight accelerated progress on several projects, improved interdepartmental coordination, and secured the regulatory and internal support needed to meet corporate targets.

Sustainability Management

ARDCO has deployed a comprehensive transformation program to institutionalize a resilient Environmental, Social, and Governance (ESG) framework. This initiative directly supports Saudi Vision 2030 targets and proactively addresses Tadawul's impending 2026 disclosure mandates. The strategy is built on establishing a unified corporate governance structure, resolving compliance gaps, and elevating the integrity of public reporting. Alongside securing strategic global accreditations, the Company is integrating advanced performance indicators and dashboards to enable precise monitoring and data-driven executive decisions. These efforts are systematically designed to upgrade ARDCO's ESG ratings, positioning the Company as a market leader in sustainable urban development while strengthening investor confidence and unlocking access to green financing.

International Awards and Accreditations

Global accreditations serve as a critical mechanism to scale institutional capability and enforce rigorous quality and governance controls:



- ISO 20000: Certification for excellence in IT service management and operations.

- ISO 27001: Certification for information security, validating strict adherence to international cybersecurity protocols.

- Core ISO Renewals: Retaining foundational global certifications for the second consecutive year following rigorous audits. This portfolio includes:

ISO 45001 (Occupational Health and Safety): Promoting a secure work environment and mitigating operating risks.

ISO 41001 (Facility Management): Maximizing asset operating efficiency and lifecycle sustainability.

ISO 9001 (Quality Management): Refining core workflows and elevating service quality.

- GIPS Certification: Fortifying the institutional investment framework, recalibrating the master strategy, and ensuring all capital allocation decisions map directly to corporate governance standards and long-term targets.

GIPS® Standards

- Alfaisal University Corporate Governance Center: Awarded the Certificate of Outstanding Improvement in Corporate Governance, recognizing advanced governance implementation among Tadawul-listed non-financial entities.

- Governmental Recognition: Honored by the Deputy Governor of the Riyadh Region during the launch of the Khairat Society headquarters, acknowledging ARDCO's enduring partnership and contributions to community development.

Great Place To Work®

- Great Place to Work: Achieving certification for the second-year running, serving as international validation of the Company's dedication to workplace excellence, staff engagement, and organizational capability.

ARABIAN PROPERTY AWARDS in association with INTERNATIONAL PROPERTY & Travel AWARD WINNER 2025-2026

- Arabian Property Awards 2025 to 2026: Awarded Best Developer Website in Saudi Arabia.

- IF Awards: Winning two awards for outstanding investment management and partnership cultivation, underscoring the impact of the Company's capital deployment in the real estate sector.

Corporate Performance: Facts and Figures

People and Corporate Culture

Awards and Certifications

8
Certificates

5
Awards and Recognition

Human Resources

6,300
Training Hours

81%
Saudization Rate

132
Number of Employees

Legal Affairs and Governance*

14.9 Mn SAR
Financial impact from legal cases (realized)

Improved judgment enforcement rate

Recovery of Statutory Rights

Handling legal issues pending for more than ten years

*
- Won cases with various rulings, including cases involving amounts exceeding SAR 14 million and a judgment confirming the Royal Commission for Riyadh's expropriation of the land plot.
- The number of active cases decreased by 63% after raising awareness among centers and markets.
- Enforcement levels increased.

A Fresh Produce Company

Capitalizing on an Integrated Value Chain to Advance National Food Security

"Food security is a national priority that calls for an integrated operating model. ARDCO is responding by establishing a specialized fresh produce Company to lead the sector's development and broaden its economic impact."

1994 2005

The Founding Phase: The Beginning of Leadership

This was the starting point that established Riyadh Development Company as a leading developer of landmark projects and infrastructure in the capital.

- 1994: Establishment of Riyadh Development Company.
- 2005: Opening of Al-Aziziyah Fruits & Vegetables Market as a main destination for the fresh produce trade.

2006 2015

Expansion and Capability Building

This phase consolidated the investment and operating foundations that strengthened the Company's position as a driver of growth and development in the capital.

- Increase in the Company's capital from SAR 1 billion to SAR 1.3 billion, in support of expansion and business diversification.

2016 2021

Maturing the Food Ecosystem and Its National Integration

This phase was marked by the alignment of national and institutional efforts to strengthen food security and organize public benefit markets.

- 2021: Signing of a Memorandum of Understanding with the Ministry of Environment, Water, and Agriculture to explore the development, operation, and management of public benefit sectors in ways that enhance market quality and serve citizens and the wider community.

2022 2025

Pillars of Institutional Development

A significant move toward technical integration, contributing to the development of smart systems across a range of sectors, including the food ecosystem. The launch of the digital portal at Al-Aziziyah Fruits & Vegetables Market helped regulate trading activity, strengthen oversight, and improve the efficiency of market management.

- Upgrading infrastructure and improving the efficiency of the operating and regulatory environment in support of readiness and institutional sustainability.
- Commencement of market development works and preparations for the Company's launch in 2026.
- Completion of the procedures to transfer employees from ARDCO to the newly established Company.

2026

Launch of a Specialized Fresh Produce Company

A Local Vision with Regional Reach

Three decades of development and national integration culminated in the establishment of a specialized entity within the food products system. ARDCO launched a wholly owned subsidiary dedicated to the fresh produce sector from source to consumer.

Firm Roots and Gradual Growth across Public Benefit Markets

Riyadh Development Company has become a central development partner in reinforcing the Kingdom's food security system through close institutional alignment with the Ministry of Environment, Water and Agriculture and other entities active in the agricultural services sector. This shared direction is focused on improving the efficiency of central markets, organizing supply chains, and embedding stronger standards of compliance and governance in the trade of fresh produce.

Through the management and operation of public benefit markets and specialized centers, ARDCO helps secure nearly 60% of the Kingdom's food security needs. That contribution speaks to the scale of its operating role and to its national impact in supporting supply stability and improving the efficiency of food value chains.

Over more than three decades, public benefit markets have remained a core pillar of the fresh produce system. Their development has progressed through measured stages of organization, modernization, and expansion, including infrastructure upgrades, more structured operating processes, improved pricing mechanisms, stronger services for traders, and higher levels of compliance in coordination with the relevant authorities. This course forms part of the Company's "Invest for Growth" strategy, which is centered on reshaping the operating base and strengthening institutional readiness ahead of more advanced phases of development and expansion, deepening operating impact and building sustainable long-term value.

In response to current shifts and future market needs, work began on a new master plan for the markets. The aim is to reorganize operational space, expand cold storage capacity in line with user requirements, improve operating efficiency, and make better use of assets in ways that support stronger revenues and long-term operating sustainability.

As experience in managing these markets deepened and their scale increased, the platform itself became more mature and more capable. This was reflected in:

- The ability to accommodate a growing number of traders and beneficiaries
- The efficient handling of rising daily transaction volumes
- The use of digital technologies as a primary driver of efficiency and transparency
- A marked increase in reliance on electronic payments
- A better customer experience and more reliable transactions

The Need for a Specialized Model

With this institutional maturity and operating readiness in place, it became clear that the fresh produce sector requires a specialized model capable of addressing the full complexity of the value chain, from sourcing and storage to logistics and, ultimately, the consumer. The pace of expansion, together with the sector's importance to the Kingdom's food security, also made clear that the next phase would require deeper specialization and an independent, flexible governance model, managed with stronger execution discipline and designed to treat the fresh produce system as an integrated value chain rather than a limited operating function.

With the conditions for a move to a more advanced stage now firmly in place, the decision to establish a specialized fresh produce Company emerged as a distinctive investment opportunity for shareholders, built on the following foundations:

- Supporting market stability by safeguarding the availability of supply and strengthening competitive and equitable pricing mechanisms
- Establishing an integrated business model covering all stages of the fresh produce value chain
- Organizing, operating, and managing markets through a specialized institutional approach
- Providing logistics and operating services that improve the efficiency of the chain
- Improving the efficiency of commercial flows and the effectiveness of operations
- Diversifying revenue streams and making fuller use of existing operating assets
- Improving long-term total return and enhancing market value

This direction is among the first initiatives of its kind in the Kingdom. It opens new avenues for growth, enhances market value, and reinforces a leadership position in a promising sector with sustainable economic impact.

A Defining Strategic Milestone

From Operating Maturity to Institutional Leadership

The Company officially launched on January 1, 2026, driven by a national mandate to build a highly efficient, integrated ecosystem for fresh produce markets across the region. This initiative is anchored by a comprehensive master plan and advanced operating and logistics solutions that span the entire value chain from farm to consumer. These capabilities are engineered to drive trading efficiency, elevate product quality, and establish robust readiness for regional and global expansion. The formation of this subsidiary is the culmination of over three decades of institutional development. It translates accumulated operating readiness into a specialized entity equipped to guide the fresh produce sector into a new era of efficiency and sustainable growth, specifically structured to:

- Reinforce national food security
- Support the broader national economy
- Maximize profitability and diversify revenue streams
- Deliver sustainable, long-term shareholder returns

An Agile Corporate Transition

This corporate transformation was executed seamlessly, ensuring absolute business continuity and the uninterrupted flow of daily operations. The transfer of human capital and employment contracts from ARDCO to the newly formed entity was managed systematically to safeguard employee rights and maintain high job satisfaction. This disciplined approach ensured zero disruption to operating output or service quality.

In parallel, market clients were engaged directly and briefed on the contract transition strategy. They were guided through the handover via transparent mechanisms and structured protocols, guaranteeing the fluid continuation of their commercial activities. This proactive stakeholder management preserved operating stability and reinforced partner trust across all phases of execution.

AlDirah Development Company

1993

Establishment of Riyadh Development Company

Riyadh Development Company was established under the direction of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, may God protect him, to serve as the development and operating arm following the decision to establish Riyadh Holding Company in 1985, within a framework aimed at developing the Qasr Al-Hukm district and reviving the historic heart of Riyadh.

2023

Memorandum of Understanding with Riyadh Holding Company

Under the patronage of His Highness Prince Dr. Faisal bin Ayyaf, a Memorandum of Understanding was signed to strengthen the partnership between Riyadh Development Company and Riyadh Holding Company for the development of heritage areas in central Riyadh through a sustainable approach.

2024

Strategic Partnership

A development model bringing together development, operation, and asset management was established, reflecting a long-term institutional direction for the advancement of the Dirah destination in historic central Riyadh and reinforcing its position as an urban destination of historical and economic significance. The scope of development includes diversifying operating and commercial activities and enriching the mix of uses through the expansion of hospitality, food services, cafés, and specialist retail, in ways that enhance the vitality of the destination and increase its appeal to investors and operators.

2024

Formal Establishment of AlDirah Development Company

This partnership culminated in the formal establishment of AlDirah Development Company as a specialized entity intended to move beyond conventional real estate development toward destination development. Through the development and operation of assets within the Dirah destination and the Qasr Al-Hukm district, the Company seeks to activate the area and create an integrated urban experience in the center of the capital, in partnership and coordination with the relevant entities, foremost among them the tourism and entertainment authorities.

Assets of AlDirah Development Company

At the heart of historic Riyadh, close to Qasr Al-Hukm and King Fahd Road, the partnership comprises three assets located within a cluster of key strategic urban landmarks:

- Al-Moaiqliah Commercial Center — المعيقلية AL-MOAIQLIAH
- AlQaisareyah, formerly AlTameer Wholesale Center — القيصرية ALQAISAREYAH
- Ushaiqer Markets, formerly AlDirah Markets — أشيقر USHAIQER

الديرة للتطوير

"AlDirah Development Company is a shared development model dedicated to preserving the heritage of the Qasr Al-Hukm district by turning historic legacy into sustainable urban value through responsible development, effective operation, and the strengthening of the cultural identity of the heart of Riyadh."

An Urban Vision for Destination Development

AlDirah Development is guided by an ambitious urban vision that seeks to position Dirah as an integrated destination combining economic activity, cultural depth, and architectural identity, reinforcing the standing of the Qasr Al-Hukm district as one of the principal urban drivers in the heart of the capital.

Business Model

The strategic foundations of the Company form the basis on which Dirah pursues its development vision.

1. Growth and Sustainability

We are committed to building a sustainable growth model that supports the diversification of revenue streams and strengthens long-term profitability. This is pursued through the expansion of the Dirah destination, the activation of new investment opportunities, and the formation of strategic partnerships that enhance asset value, improve financial and operating efficiency, and strengthen return on investment.

2. Attraction and Engagement

We revive authentic places and turn them into vibrant visitor destinations that offer cultural and human experiences bringing visitors closer to the spirit of the place and its stories. In doing so, we strengthen engagement and a sense of belonging, generating lasting impact and long-term growth through the activation of bazaars, events, markets, and seasonal programmes featuring local products, traditional food, and guided tours that bring out the historical context of the destination.

3. Development and Operation

We develop and operate assets through an integrated strategic approach aimed at activating destinations, ensuring operating efficiency and quality of performance, and preserving their economic, social, and historical value. This includes the development of mixed-use destinations and projects, flexible workspaces, and supporting commercial and service activities that improve returns on assets and generate sustainable revenue streams.

Future Horizon (2031–2034)

This partnership reaffirms Riyadh Development Company's commitment to establishing Dirah as a living heart of Riyadh and a destination that expresses the city's history while keeping pace with its future ambitions, in a way that aligns with the objectives of Saudi Vision 2030. This will be pursued through development partnerships and advanced operating and digital applications that support the visibility of the district's cultural dimension, improve management quality and visitor experience, and generate sustainable economic value consistent with the aims of Vision 2030.

AlDirah Development - Facts & Figures

3
Number of Assets

180,000+ sqm
Total Area

1,834
Commercial Units

420
Office Units

1.5 Bn SAR
Total Asset Value

9+ Million
Annual Visitors

129
Residential Units

2,575
Leasable Units

AlDirah Engagement Highlights

100+ Million
Digital Reach

100+
Activation Programs

2+ Million
Number of Visitors

6
Number of Zones

04 Financial Results

(All amounts have been rounded to the nearest million SAR, unless stated otherwise)

Mohammed bin Ahmed Al-Kalib
Chief Financial Officer

Thanks to Almighty God, the Company continued in 2025 to deliver solid financial performance, reporting a net profit of SAR 296 million, maintaining the profit level of the previous year. This result is notable because 2024 included non-recurring gains of approximately SAR 124 million from the sale of lands by the Company's sister Company, Tanal. The 2025 outcome therefore reflects a clear improvement in the Company's core operating performance and confirms the robustness of its business model and its ability to generate stable, sustainable results.

As part of the strategy launched in early 2023 to strengthen its position in the real estate sector, the Company acquired two real estate assets in strategic locations during 2025, with a total value of SAR 1.4 billion, from Remat Al-Riyadh Development Company (the development arm of the Riyadh Region Municipality). The acquisition was completed through a capital increase via the issuance of 56,153,041 shares. These lands offer promising development opportunities because of their large size and competitive cost, supporting the Company's expansion plans and enhancing its ability to maximize shareholder value.

As part of implementing its strategy, the Company also continued to diversify revenue sources and optimize returns from its real estate assets. During the year, it established a joint venture with Riyadh Holding Company and the Saudi Real Estate Company (Al Akaria) to develop the first educational complexes on Company-owned land in Tilal Al Riyadh district. The project was executed with high operational efficiency and competitive cost; the complexes began operating during the year, supporting the Company's efforts to diversify income and strengthen future operational cash flows.

In addition, the Company allocated approximately 98,000 square meters of the Technical Services City land to its newly launched subsidiary, Al Rimal Logistic Park, to develop an integrated logistics project. This transfer aims to improve asset-investment efficiency and support the expansion of specialized logistics activities.

During 2025, the sister Company, AlDirah Real Estate Development Company, continued to achieve outstanding operational performance, as its affiliated markets welcomed approximately 9 million visitors throughout the year, supported by the development of the urban landscape of the markets and the activation of a range of activities and events during the summer and winter seasons. This positively reflected on the performance of its real estate assets, contributed to enhancing the attractiveness of the markets, and improved the experience of tenants and visitors, which supported the growth of its revenues and enhanced its profitability, resulting in the Company recording a share of profits amounting to SAR 27 million.

During the year, the Company also achieved the highest collection levels in its history, supported by a package of developmental measures that included policy updates and restructuring, along with developing incentive programs to enhance the efficiency of collection operations. These measures improved operational cash flow quality and receivables management, reinforcing the Company's financial position and working capital efficiency.

Confirming its commitment to governance and regulatory compliance, the Company completed all reviews related to Zakat, Value Added Tax (VAT), and withholding tax for prior years through the end of 2024 with the Zakat, Tax and Customs Authority and obtained final Zakat certificates for those years.

The Company continues to strengthen its financial position and execute its strategy of investing in promising opportunities and expanding value-added projects to support sustainable growth and enhance long-term shareholder value.

Highlights of 2025: Results and Indicators

Includes revenues for 2024 from AlTameer Center, while revenues for 2025 do not include it.

The previous year's figures have been reclassified to align with the current year.

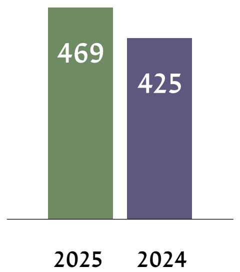
Company Performance

The Company demonstrated strong financial performance in 2025. Revenues from its centers and markets continued to grow and reached unprecedented levels after excluding the contribution from AlTameer Center, which was contributed in kind to AlDirah Real Estate Development and Investment Company in December 2024. The Company also continued to divest some non-utilized assets in line with its objective to maximize total shareholder returns.

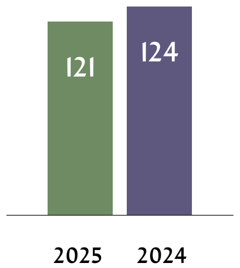
The Company continues to implement its strategy aimed at growing revenues from its core activities and expanding its business base through the development of quality projects and investment in promising real estate opportunities. These efforts enhance asset investment efficiency, support sustainable growth, and create long-term value for shareholders.

Summary of Financial Results for 2025

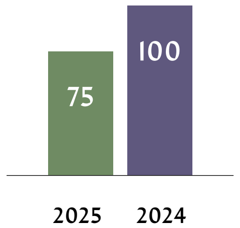
Operating Revenues & Other Revenues
(Mn SAR)



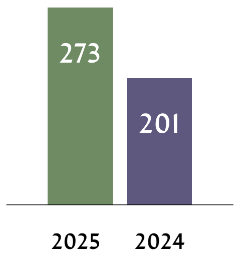
Costs of Operating Activities
& Finance Cost
(Mn SAR)



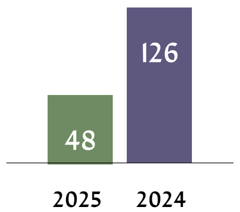
General & Administrative Expenses*
(Mn SAR)



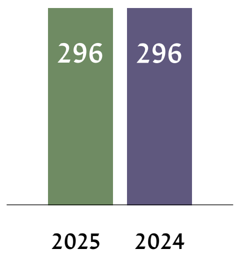
Total Operating Profit
& Other Income
(Mn SAR)



ARDCO's Share from Associate
Companies' and Joint Ventures' Profits
(Mn SAR)



Net Profit
(Mn SAR)



*Included non-recurring expenses related to capital increases, provisions, etc.

Income Statement Summary

	Mn SAR		
	Year Ended 31 December		
All amounts in millions unless otherwise stated	2025	2024	Percent Change
Operating Revenues & Other Revenues	469	425	10%
Total Costs	196	224	-12%
Total Operating Profit & Other Income	273	201	35%
ARDCO's Share from Associate Companies' and Joint Ventures' Profits	48	126	-62%
Income Before Zakat	321	327	-2%
Zakat	25	30	-17%
Net Income	296	296	0%

Financial results

Operating revenues and other income increased by 10% by the end of 2025, reaching SAR 469 million. This growth was driven by higher occupancy rates and the creation of new revenue sources in the Company's centers and markets, as well as the sale of a portion of non-strategic land, reflecting the Company's approach to optimal asset utilization.

Efficient deployment of liquidity also contributed to SAR 57 million of income from Islamic financing (Murabaha), despite a lower return rate in 2025 compared with the previous year.

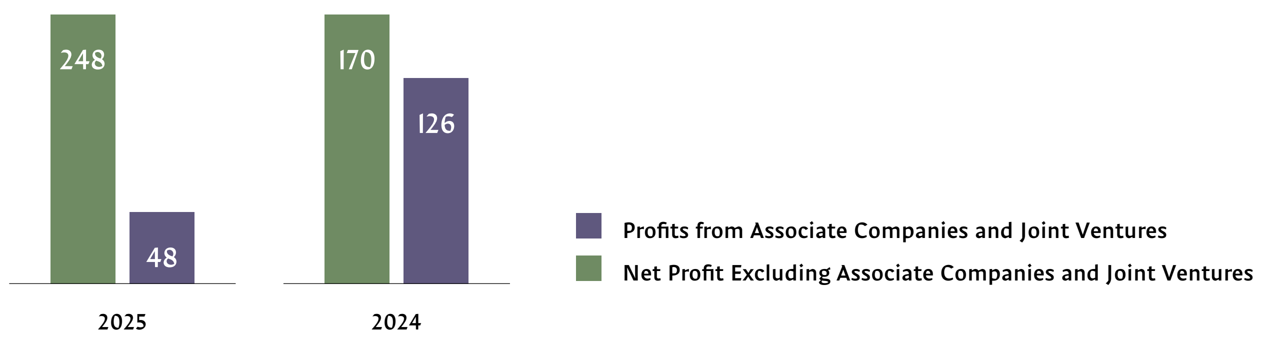
On the expense side, total costs for 2025 amounted to approximately SAR 196 million, compared with SAR 224 million in 2024, a decrease of 13%. The decline was mainly due to reduced provisions for doubtful debts following improved collection levels in the Company's markets and centers, in addition to lower legal and professional fees.

The Company's share of profits from affiliated companies reached approximately SAR 48 million in 2025, despite the sale of all Tanal lands by the end of 2024.

Zakat for the year ended 31 December 2025 amounted to approximately SAR 25 million, compared with SAR 30 million in the previous year.

As a result, the Company achieved a net profit of SAR 296 million in 2025, equal to the prior year's result. This is notable because 2024 included about SAR 124 million of non-recurring revenue from the sale of lands by the affiliated Company, Tanal, so the 2025 result reflects a marked improvement in core operational performance.

Net Income



Cash Flow Statement Summary

	Mn SAR		
	Year Ended 31 December		
All amounts in millions unless otherwise stated	2025	2024	Percent Change
Net Cash Generated from Operating Activities	146	64	127%
Net Cash Used in Investment Activities	-28	-203	-86%
Net Cash Used in Financing Activities	-127	-135	-7%
Cash and Cash Equivalents at the End of the Year	31	41	-24%

Cash Flows

Net cash generated from operating activities amounted to SAR 146 million for the year ended 31 December 2025, compared with SAR 64 million in 2024, mainly due to a significant improvement in collection levels during the year. Net cash used in investment activities was SAR 28 million in 2025 versus SAR 203 million in 2024, primarily reflecting an increase in Islamic Murabaha deposits and thus efficient liquidity deployment. Net cash used in financing activities totaled SAR 127 million in 2025, compared with SAR 135 million in 2024, primarily due to the Company's financing of its equity contributions in associate companies and joint ventures.

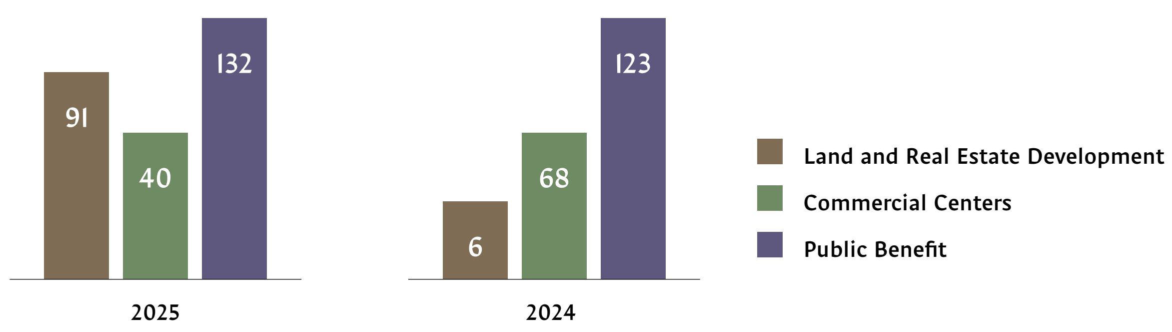
Corporate Sectors

The sectoral information relates to the activities and business of ARDCO which we have relied on to prepare our financial information.

Our markets and centers at ARDCO are divided into:

- The public benefit sector includes Al-Aziziyah Fruits & Vegetables Market Wholesale.
- The malls sector includes Riyadh AlTameer Market, the AlTameer Public Transportation Center, the Otaiqah Central Market, the AlTameer International Car Auction and the Almalqa Business Center.
- Land, contributions, and real estate development sector.

Total Income from Main Sectors



Company Sectors Profit

Public Benefit Sector Financial Results

All amounts in millions unless otherwise stated	Mn SAR Year Ended 31 December 2025	2024
Revenue	159	152
Operating Expenses	27	29
Net Income	132	123
Net Value of Invested Assets	94	96
Occupancy Rate	98%	98%

The public benefit sector achieved revenue growth in 2025, rising by SAR 8 million (5% compared with 2024), driven by revenue diversification and higher leasing and operating returns. Operating costs increased by approximately SAR 1 million due to development works on the sector's infrastructure aimed at enhancing operational efficiency.

Financial Results of the Malls Sector

All amounts in millions unless otherwise stated	Mn SAR Year Ended 31 December 2025	2024
Revenue	123	164
Operating Expenses	83	96
Net Income	40	68
Net Value of Invested Assets	576	604
Occupancy Rate	92%	93%

During 2025, the Company continued to enhance operational efficiency in its markets and affiliated centers by repurposing unused spaces and creating new, sustainable income streams. These initiatives contributed to revenue growth of 5% versus 2024 (approximately SAR 5 million), after excluding the impact of revenues from AlTameer Center, which was contributed in kind to AlDirah Development and Real Estate Investment Company in December 2024.

Land Sector Financial Results, Contributions and Real Estate Development

All amounts in millions unless otherwise stated	Mn SAR Year Ended 31 December 2025	2024
Land Sales Revenue and Development Fees	102	6
Land Sales Costs and Development Fees	11	0
Net Revenue	91	6

The land, investments, and real estate development sector also recorded notable activity in 2025, as the Company sold part of its non-strategic land for SAR 97 million as part of its approach to optimal asset utilization and maximizing shareholder value.

Additional Financial Information

Financial Statements for the Past Five Years
Statement of Financial Position as of 31 December

Mainland	Mn SAR				
	2025	2024	2023	2022	2021 AD
Total Assets	4,440.88	2,909.53	2,792.11	2,597.74	2,434.22
Non-Controlling Interests	-	-	-	-	-
Total Shareholder Equity	4,127.05	2,543.84	2,380.83	2,197.64	2,021.24
Total Liabilities	313.83	365.68	411.28	400.1	412.98

Statement of cash flows for the financial years ended 31 December

Mainland	Mn SAR				
	2025	2024	2023	2022	2021 AD
Cash Flows from Operating Activities	146	64	226	112	144
Cash Flows from Investment Activities	-28	-203	149	-133	-135
Cash Flows from Financing Activities	-127	-135	-94.8	-1	-2

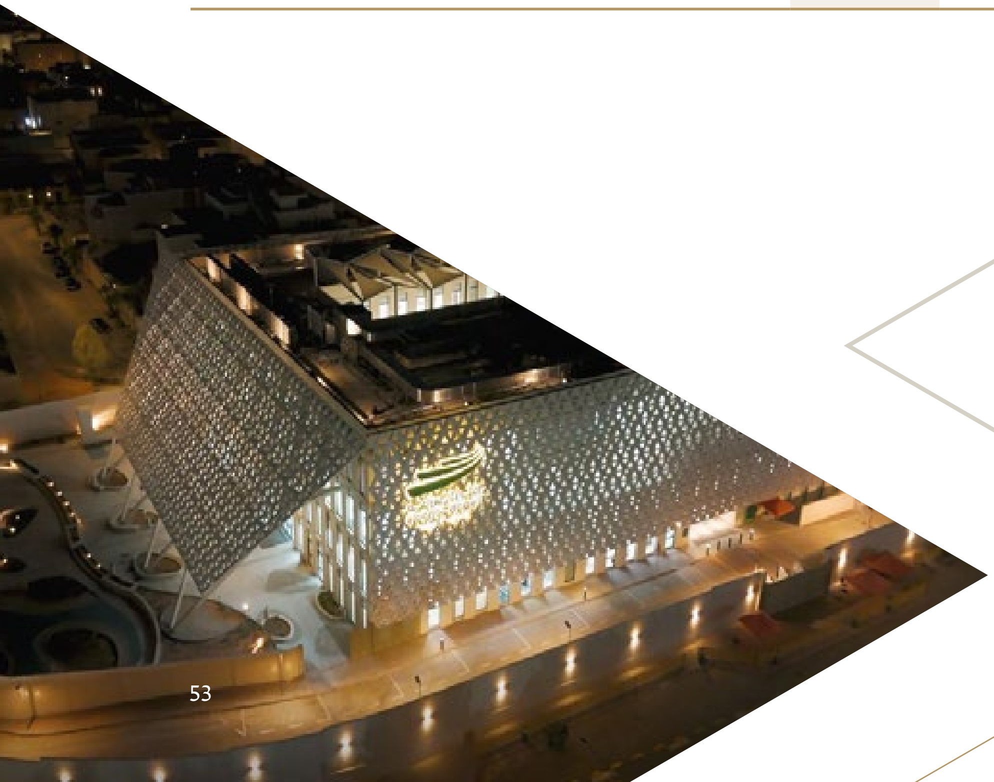
* Some comparison year figures have been re-tabbed to match the current year's presentation.
* The data is prepared in accordance with international accounting standards adopted in the Kingdom of Saudi Arabia.

Statement of income for the financial years ended 31 December

Mainland	Mn SAR				
	2025	2024	2023	2022	2021 AD
Operating Income and Other Income	469	425	389	281	256
Total Expenses	196	224	195	158	155
Total Operating Profit and Other Income	273	201	194	123	101
ARDCO's Share of Associate Companies' and Joint Ventures' Profits	48	126	97	190	226
Income Before Zakat	321	327	291	313	327
Zakat	25	30	20	13	9
Net Income	296	296	271	300	318

Statement of the Statutory Payments Due Value

Mainland	2025	2024	Description	Reason
Zakat and Tax	35,443,951	20,392,176	Zakat expense	Government requirement
General Organization for Social Insurance (GOSI)	5,058,093.62	4,197,485	Social insurance expenses according to the labor system in the Kingdom of Saudi Arabia	Government requirement
Chamber of Commerce and Industry	1,085.00	3,200	Governmental fees	Government requirement
Depository Company	488,219.18	400,000	Annual fees	Capital Market Authority requirement
Tadawul Company	754,962.50	373,022	Annual fees	Capital Market Authority requirement
Saudi Authority for Intellectual Property	-	1,500	Trademark fees	Government requirement
Ministry of Commerce	-	1,501	Governmental fees	Government requirement
Total	41,746,310.94	25,368,884	-	-



Other Company Investments

The Company has made various investment operations, which consisted of the following:

During 2025, the Company established the Fresh Products Supply Chain Company as a fully owned closed joint stock Company, with a cash capital of SAR 500,000 divided into (500,000) shares.

During 2025, the Company established Al Sand Logistics Park Company as a fully owned limited liability Company (one person Company) with a cash capital of SAR 10,000 divided into (10,000) shares. A technical service land of approximately 98,000 square meters was transferred to it.

During 2024, the Company decided to participate in the Arabian Financial Fund Riyadh Development, a closed-ended private real estate investment fund compliant with the provisions of Islamic Sharia. It was established in the Kingdom of Saudi Arabia in accordance with the relevant laws and the investment funds regulations. Arabian Financial Company manages it. The Company's share in the Fund is 8.7% with a cash contribution of SAR 182,481,748. The Fund's operations commenced on 9 January 2025 after the completion of the specified offering amount (in-kind and cash).

During 2024, the Company established a joint venture with Riyadh Holding Company (AlDirah Development and Real Estate Investment Company - (Simplified Closed Joint Stock Company)), with a cash capital of SAR (1,000,000) of 46.34% for Riyadh Development Company and 53.66% for Riyadh Holding Company. In-kind contribution was made to the Tamar Center (by ARDCO), Al-Moaiqliah Commercial Center and the Dirah markets (by Riyadh Holding Company), in exchange for the issuance of new shares and the capital increase of each partner with the same ownership interest in AlDirah Investment and Development Company. The total investment of Riyadh Development Company in AlDirah Investment and Development Company reached approximately SAR 705.37 million as of 31 December 2025.

During 2024, the Company established Al Halal Towers Real Estate Development Company (a limited liability company) with Riyadh Holding Company and Saudi Real Estate Company, with a capital of 100,000 SAR at 50% for ARDCO, 25% for Riyadh Holding Company, and 25% for Saudi Real Estate Company. This is in accordance with their respective ownership ratios in the jointly owned property. It is Education Plot No. 751 of Scheme No. 3175, which is 10,875.24m^2, and Instructional Plot No. 752 of Plan No. 3175, which has a size of 10,296.33 m^2 in the AlMalqah District of Riyadh.
The total investment of Riyadh Development Company in Al-Talal Development Company was approximately SAR 121.51 million as of 31 December 2025.

On 20/05/2019, we partnered with HHHC to establish Tanal Investment and Real Estate Development Company (a limited liability company) with a capital of (SAR 100,000), at a rate of 69.38% for Riyadh Development Company, and at a rate of 30.62% for HHHC, which is the same as the percentage of ownership of each in Al Thumama land, which is 3 million m^2, for the purpose of transferring the assets of the first Riad Development Fund, in which its participation was closed on 15/10/2019, and to complete the implementation of the remaining infrastructure works of the aforementioned land. During the second quarter of 2021, it was agreed to assign part of the share of HHO Holding Company to HHO Real Estate Company. Accordingly, ownership in Tanal Investment and Development Company was (Riyadh Development Company 69.38%, HHO Holding Company 20.62%, HHO Real Estate Company 10%). The total investment of Riyadh Development Company in Tanal Development and Real Estate Investment Company reached around SAR 13 million as of 31 December 2024.

During 2025, the Company's Board of Directors decided to exit Tanal Company, as a result of the sale of all plots within the general plan by the end of 2024. A waiver agreement was signed to transfer the Company's share to HHHC on 30 Shawwal 1446 AH (corresponding to 28 April 2025 AD), and according to the agreement, the Company received its share in the capital of SR 69,380 in addition to its share in the statutory reserve of SR 20,814, as per the financial statements of Tanal for the year ended 31 December 2024 AD.

Short term investment in Murabaha deposits with Al Rajhi Bank of SAR 765 million.

Short term investment in Murabaha deposits with Alinma Bank of SAR 260 million.

Investments in Associate Companies and Joint Ventures

Company Name	Ownership Percentage
AlDirah Development for Development and Investment	46.34%
AlTilal Company for Educational Facilities Development	50%
Abraj AlGhadeer Real Estate Development Company	50%

05
Governance

Corporate Governance

In accordance with the requirements and implementing regulations of the Capital Market Authority, and as part of the Company's commitment to high standards of disclosure and transparency, the Company sets out the following for its shareholders:

First:

The provisions of the Corporate Governance Regulations that have been applied, together with those that have not been applied and the reasons for non-application.

The table below sets out in detail the extent of the Company's compliance with the Saudi Corporate Governance Regulations issued by the Capital Market Authority.

	Article Number	Article Text	Partially Applied	Not Applied	
1	Thirty-Ninth / Evaluation	(a) The Board of Directors shall, based on the proposal of the Nominations and Remuneration Committee, establish the mechanisms necessary to evaluate annually the performance of the Board, its members, its committees, and Executive Management, through appropriate performance indicators linked to the achievement of the Company's strategic objectives, the quality of risk management, the adequacy of internal control systems, and other relevant factors, provided that areas of strength and weakness are identified and proposals are made to address them in a manner consistent with the Company's interests.	✓		Evaluation is conducted without the use of predefined performance measurement indicators.
2	Thirty-Ninth / Evaluation	(e) The Board of Directors shall make the necessary arrangements to obtain an evaluation of its performance from a competent external party every three years.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
3	Sixty-Seventh / Formation of the Risk Management Committee	A committee called the Risk Management Committee shall be formed by resolution of the Board of Directors. Its chairman and the majority of its members shall be non-executive members of the Board. The Members of that Committee shall possess an adequate level of knowledge in risk management and finance.	✓		Risk oversight falls within the remit of the Audit Committee.
4	Sixty-Ninth / Meetings of the Risk Management Committee	The Risk Management Committee shall meet periodically at least once every six months, and whenever the need arises.		✓	The risk register is presented annually to the Audit Committee and the Board of Directors.
5	Eighty-Second / Employee Motivation	(1) Form committees or hold specialist workshops to hear the views of the Company's employees and discuss with them matters relating to material decisions.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
6	Eighty-Second / Employee Motivation	(2) Programs for granting employees shares in the Company, or a share in the profits it generates, retirement programs, and the establishment of an independent fund to finance such programs.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
7	Eighty-Second / Employee Motivation	(3) Establish social institutions for the benefit of Company's employees.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
8	Eighty-Fourth / Social Responsibility	The Ordinary General Assembly, based on a proposal from the Board of Directors, shall establish a policy that ensures a balance between the Company's objectives and the broader social and economic objectives sought by the community.		✓	It will be adopted when it becomes mandatory.
9	Eighty-Fifth / Social Work Initiatives	(1) Establish measurement indicators linking the Company's performance to its social initiatives, and compare that performance with other companies engaged in similar activities.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
10	Eighty-Fifth / Social Work Initiatives	(2) Disclose the social responsibility objectives adopted by the Company to its employees, and raise their awareness and understanding of social responsibility.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
11	Eighty-Fifth / Social Work Initiatives	(3) Disclose plans for achieving social responsibility in the periodic reports relevant to the Company's activities.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
12	Eighty-Fifth / Social Work Initiatives	4) Establish community awareness programs introducing the Company's social responsibility role.		✓	The article remains guidance in nature, and the Company will apply it once it becomes mandatory.
13	Ninety-Second / Formation of a Corporate Governance Committee	If the Board of Directors forms a corporate governance committee, it shall delegate to that committee the competencies prescribed under Article Ninety-Four of these Regulations. The committee shall follow up on matters relating to governance implementation and provide the Board of Directors, at least annually, with the reports and recommendations it produces.	✓		Governance oversight and the updating of governance requirements fall within the remit of the Legal Department. The Company does not currently have a Corporate Governance Committee, and such a committee will be formed if and when it becomes mandatory.

Second:

Classification of Board Members, Number of Meetings Held, Attendance Records, and Directorships in Other Joint Stock Companies:

A. Board of Directors Composition

			Membership Classification		
	Member Name	Term	Executive	Non-Executive	Independent
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	Previous and Current		✔	
2	Majed Nasser Alsubeaei	Previous and Current			✔
3	Sulaiman Nasser AlHatlan	Previous and Current			✔
4	Abdul-Ilah Abdulrahman AlHussein	Previous			✔
5	Abdulrahman Ayed AlQahtani	Previous and Current			✔
6	Abdullah Mohammed AlBahouth	Previous		✔	
7	Fahad Abdullah AlKassim	Previous		✔	
8	Nayef Ibrahim AlHudaithi	Previous and Current			✔
9	Dr. Ibrahim Saad AlMuajil	Current			✔
10	Osama Farij AlOwaidhi	Current			✔
11	Yazeed Mohammed AlJarid	Current			✔

B. Current and Previous Positions, Qualifications, and Experience of Board Members

Prince Faisal bin Abdulaziz bin Ayyaf, PhD

Mayor of Riyadh Region

Qualifications and Experience

Specializes in urban planning and management. Holds a doctorate in city and regional planning and management from the University of California, Berkeley, alongside a master's degree in urban planning and management from Harvard University, and a master's degree in architecture and urban design from Columbia University in New York.
In addition to his current position, His Highness chairs several organizations, companies, and boards, as well as various councils and committees across Saudi Arabia. He possesses diverse professional experience in urban development across numerous domestic and international companies. His career includes multiple projects at the Royal Commission for Riyadh City, alongside collaborations with architectural firms in the United States, Canada, and France. He has also served as an academic lecturer and teaching assistant at both Harvard University and King Saud University.

Majed Nasser Alsubeaei

Current Position

Managing Director, Awaser Investment Company

Previous Positions

Has over 18 years of diverse investment experience across various sectors, including his role as Chief Executive Officer of Nasser Al-Subaie and Sons Investment Company.

Qualifications and Experience

Holds a bachelor's degree in economics from King Saud University. In addition to his role as Managing Director at Awaser Investment Company, he serves on the boards of several companies, including the Saudi Automotive Services and Equipment Company (SASCO) and Mohammed Ibrahim Alsubeaei and Sons Investment Company (MASIC).
His professional background includes previous experience at Morgan Stanley and a former board membership at the Islamic Bank of Brunei.

Sulaiman Nasser AlHatlan

Current Positions

Chief of Staff, AlHilal Club Company

Previous Positions

Chief Executive Officer, Masar AlNumou Investment Company

Qualifications and Experience

Holds a master's degree in professional accounting from the University of California and a bachelor's degree in accounting from King Saud University.

Abdul-Ilah Abdulrahman AlHussein

Current Positions

Board Member, Abdul-Ilah AlHussein and Partner Transport Company; Board Member, AlImdad AlRaidah Cement Company

Previous Positions

Deputy General Manager, Abdulrahman AlHussein Goods Transportation Company

Qualifications and Experience

Holds a bachelor's degree in economics and management from King Abdulaziz University.

Abdulrahman Ayed AlQahtani

Current Positions

Chief Executive Officer and Managing Director, Bisan Commercial and Real Estate Investment Company

Previous Positions

Vice President, Atar Holding Company

Qualifications and Experience

Holds a bachelor's degree in financial management from Prince Mohammad bin Fahd University, obtained in 2018. He has also completed several courses and workshops to further enhance his specialized skills in the field.

Abdullah Mohammed AlBahouth

Current Positions

General Manager of Facilities Services, General Organization for Social Insurance (GOSI)

Previous Positions

General Manager of the General Administration for Insurance Excellence, General Organization for Pension

Qualifications and Experience

Holds a master's degree in applied statistics from the University of Guelph in Canada. He has progressed through a series of positions at the General Organization for Pension.

Fahad Abdullah AlKassim

Current Positions

Chairman of the Board, AlKassim Accounting and Consulting Office

Previous Positions

Chairman of the Board, Amwal Financial Consulting Company

Qualifications and Experience

Holds a bachelor's degree in accounting from King Saud University and completed a management and leadership program at Oxford University. He also serves on the boards of several joint stock companies.

Dr. Ibrahim Saad AlMuajil

Current Positions

Chairman of the Board, AlKhwarizmi Holding

Previous Positions

Chairman of the Board and Chairman of the Investment Committee, Integrated Logistics Zone Company

Qualifications and Experience

Holds a doctorate in operations research and decision analysis from Stanford University, along with dual master's degrees in management science and engineering, and electrical engineering from the same institution. He also holds a bachelor's degree in electrical engineering and mathematics from Vanderbilt University.

He possesses extensive leadership and investment experience spanning more than twenty years across the investment, industry, and energy sectors, as well as in strategic decision-making.

Nayef Ibrahim AlHudaithi

Current Positions

Board Member, Najmat AlMadaen Group

Previous Positions

Has a professional track record spanning over ten years in the real estate sector. He worked at Colliers International in real estate consulting, valuation, and feasibility studies, and later joined Najmat AlMadaen Group in business development.

Qualifications and Experience

Holds a bachelor's degree in financial management from the University of Arizona.

Osama Farij AlOwaidhi

Current Positions

Member of the Audit Committee, Executive Offices Company

Chief Investment Officer, Alawwal Invest

Previous Positions

Chief Executive Officer and Founding Partner, Value Partners Financial Company

Qualifications and Experience

Holds a Master of Business Administration (MBA) from Columbia University in New York, the Chartered Financial Analyst (CFA) designation from the CFA Institute, and a bachelor's degree in business administration from Webster University in St. Louis.

He has extensive experience in investment, asset management, and financial markets, spanning over fifteen years in the financial and investment sectors.

Yazeed Mohammed AlJarid

Current Positions

Deputy Manager for Governance, Risk, and Compliance at the General Authority of Customs

Previous Positions

Member of the Risk Committee at the National Company for Unified Procurement of Medicines, Devices and Medical Supplies (NUPCO)

Member of the Risk Committee at SALIC

Member of the Risk Committee at Tawuniya Insurance

Qualifications and Experience

Holds a bachelor's degree in economics from King Abdulaziz University. He has a professional track record spanning over two decades in the fields of consulting, governance, oversight, and compliance.

C. Names of Companies Inside and Outside the Kingdom Where Board Members Hold Current or Former Directorships or Managerial Positions

	Member Name	Companies in which the board member is currently a director or board member	Location	Legal Form	Companies in which the board member was previously a director or board member	Location	Legal Form
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD (Member in the Previous and Current Terms)	Riyadh Holding Company	Inside KSA	Limited Liability	-	-	-
		Remat Al-Riyadh Development Company	Inside KSA	Closed Joint Stock	-	-	-
		Qiddiya Investment Company	Inside KSA	Closed Joint Stock	-	-	-
		Soudah Development Company	Inside KSA	Closed Joint Stock	-	-	-
		New Murabba Development Company	Inside KSA	Unlisted Joint Stock	-	-	-
		King Salman International Airport Development Company	Inside KSA	Unlisted Joint Stock	-	-	-
		Riyadh Air Company	Inside KSA	Unlisted Joint Stock	-	-	-
2	Majed Nasser Alsubeaei (Member in the Previous and Current Terms)	SASCO	Inside KSA	Listed Joint Stock	-	-	-
		Mohammed I. Alsubeaei and Sons Investment Company (MASIC)	Inside KSA	Listed Joint Stock	-	-	-
3	Sulaiman Nasser AlHatlan (Member in the Previous and Current Terms)	Maharah Human Resources Company	Inside KSA	Listed Joint Stock	-	-	-
		Saudi Vitrified Clay Pipe Company (SVCP)	Inside KSA	Listed Joint Stock	-	-	-
		Light Buildings Company	Inside KSA	Closed Joint Stock	-	-	-
		AlHilal Club Investment Company	Inside KSA	Closed Joint Stock	-	-	-
4	Abdul-Ilah Abdulrahman AlHussein (Member in the Previous Term)	Abdul-Ilah AlHussein and Partner Transport Company	Inside KSA	Limited Liability	-	-	-
		AlRaid Cement Supply Company	Inside KSA	Limited Liability	-	-	-
5	Abdulrahman Ayed AlQahtani (Member in the Previous and Current Terms)	Bisan Commercial and Real Estate Investment Company	Inside KSA	Closed Joint Stock	-	-	-
		Sumou Holding Company	Inside KSA	Closed Joint Stock	-	-	-
		Dhahiat Murooj Jeddah Company	Inside KSA	Limited Liability	-	-	-
		Atar Holding	Inside KSA	Limited Liability	-	-	-
6	Abdullah Mohammed AlBahouth (Member in the Previous Term)	-	-	-	AlYamamah Cement Company	Inside KSA	Listed Joint Stock
7	Fahad Abdullah AlKassim (Member in the Previous Term)	Savola Group	Inside KSA	Listed Joint Stock	Bank Albilad	Inside KSA	Listed Joint Stock
		Dallah Health Services Company	Inside KSA	Listed Joint Stock	Naqel Company	Inside KSA	Closed Joint Stock
		Taiba Investment Company	Inside KSA	Listed Joint Stock	Saudi Post Corporation	Inside KSA	Government Entity
		Jarir Marketing Company	Inside KSA	Listed Joint Stock	Abdullatif Al-Issa Holding Group	Inside KSA	Unlisted Joint Stock
		AlArjan Projects Company	Inside KSA	Closed Joint Stock	AlRajhi Alfa Company	Inside KSA	Limited Liability
		Dr. Mohammed Rashed AlFaqih and Partners Company	Inside KSA	Closed Joint Stock	Raj Real Estate Company	Inside KSA	Limited Liability
		Abdullah Ibrahim Alsubeaei Holding Company	Inside KSA	Closed Joint Stock	National General Automotive Company	Inside KSA	Limited Liability
		Gulf Basqat Company	Inside KSA	Limited Liability	Saudi Heritage Hospitality Company	Inside KSA	Closed Joint Stock
		Century 21 Real Estate Valuation Company	Inside KSA	Limited Liability	Rakeen Najd International Company	Inside KSA	Closed Joint Stock
		AlRajhi United Investment Holding Company	Inside KSA	Closed Joint Stock	Dur Hospitality Company	Inside KSA	Listed Joint Stock
		Areez Commercial Investment Company Limited	Inside KSA	Limited Liability	-	-	-
		Jarir Investment Company	Inside KSA	Closed Joint Stock	-	-	-
		Mohammed Abdulaziz AlHabib and Sons Holding Company	Inside KSA	Closed Joint Stock	-	-	-
		Artal Capital Company	Inside KSA	Unlisted Joint Stock	-	-	-
		Osool Integrated Real Estate Company	Inside KSA	Limited Liability	-	-	-
		Liwan Real Estate Development Company	Inside KSA	Simplified Joint Stock	-	-	-

	Member Name	Companies in which the board member is currently a director or board member	Location	Legal Form	Companies in which the board member was previously a director or board member	Location	Legal Form
8	Nayef Ibrahim AlHudaithi (Member in the Previous and Current Terms)	Najmat AlMadaen Group	Inside KSA	Closed Joint Stock	-	-	-
9	Dr. Ibrahim Saad AlMuajil (Member in the Current Term)	Khwarizmi Capital	Inside KSA	Limited Liability	-	-	-
		Special Integrated Logistics Zone	Inside KSA	Closed Joint Stock	-	-	-
		Takamol Holding	Inside KSA	Closed Joint Stock	-	-	-
		Royal Commission for Jubail and Yanbu	Inside KSA	Government Entity	-	-	-
		Awqaf Investment	Inside KSA	Closed Joint Stock	-	-	-
		Hassana Investment Company	Inside KSA	Closed Joint Stock	-	-	-
		Arab Mining Company	Outside KSA	Closed Joint Stock	-	-	-
		Saudi Exim Bank	Inside KSA	Closed Joint Stock	-	-	-
		Saudi National Bank (SNB)	Inside KSA	Listed Joint Stock	-	-	-
		United International Transport Comopany (Budget Saudi)	Inside KSA	Listed Joint Stock	-	-	-
		Saudi Telecom Company (STC)	Inside KSA	Listed Joint Stock	-	-	-
		King Saud University	Inside KSA	Public Educational institution	-	-	-
10	Osama Farij AlOwaidhi (Member in the Current Term)	ALTANFEETHI Company	Inside KSA	Closed Joint Stock	-	-	-
11	Yazeed Mohammed AlJarid (Member in the Current Term)	-	-	-	-	-	-

D. Current and Previous Positions, Qualifications, and Experience of Executive Management

Jehad Abdulrahman Alkadi

Chief Executive Officer

Previous Positions

Senior Director, General Administration of Local Real Estate Investments at the Public Investment Fund

Qualifications and Experience

Has served as the Company's Chief Executive Officer since December 2021 and brings more than 20 years of experience across the financial and investment sectors. Has held a number of senior leadership roles at prominent institutions, including the Public Investment Fund, SEDCO Capital, Jadwa Investment, and Saudi National Bank. Serves on several boards, including Umm Al-Qura for Development and Construction, Riyad Capital, and Osool Integrated Real Estate Co., and is also a member of the Executive Committee of New Murabba Development Company. Experience also extends to advisory boards and committees, including the Advisory Board of JLL in the Kingdom.

Holds a bachelor's degree in economics from King Saud University and a master's degree in executive management from Hult International Business School. Has also completed executive programs at leading institutions, including Harvard Business School, MIT, London Business School, IMD in Lausanne, and IE University in Madrid.

Dr. Wael Azzam Jundi

Chief Investment Officer

Previous Positions

Chief Executive Officer, SinoGulf (KSA)

Qualifications and Experience

Holds a doctorate in economics from the University of Liverpool in the United Kingdom, in addition to a master's degree in finance with distinction from the same university through the Chevening Scholarship awarded by the British Government to outstanding students in the Middle East. Also holds a master's degree in political science and a bachelor's degree in accounting and finance. Completed the Leadership Program for Executives at the University of Oxford in the United Kingdom.

Anas Tariq Najmi

Chief Strategy & Business Development Officer

Previous Positions

Strategy Advisor and Head of Riyadh City Marketing and Investment Promotion at the Royal Commission for Riyadh City

Qualifications and Experience

Holds a bachelor's degree in management information systems from King Fahd University of Petroleum and Minerals. Also attended executive programs in negotiation strategy and marketing planning at INSEAD. Led a number of community programs within Prince's Charities and the Mosaic Leadership Summit in London and Manchester, United Kingdom, with a focus on community leadership.

Mohammed Ahmed AlKulaib

Chief Financial Officer

Previous Positions

Chief Financial Officer, Arabian Agricultural Services Company

Qualifications and Experience

Holds a bachelor's degree in public administration with a specialization in accounting from King Faisal University, obtained in 2003, as well as a master's degree in business administration with a specialization in accounting from Murray State University. Also holds the CMA designation in management accounting.

Waleed Abdullah AlKharji

Chief Public Benefit Markets Officer / Acting Chief Commercial Centers Officer

Previous Positions

General Supervisor of Centers and Markets, Riyadh Development Company

Qualifications and Experience

Holds a bachelor's degree in information systems and computer science from King Saud University. Completed the Digital Transformation Program at the Massachusetts Institute of Technology (MIT). Serves as a current member of the National Food Security Committee at the Federation of Saudi Chambers. Has taken part in a number of transformation projects and initiatives with the Ministry of Communications, the Communications Commission, and the General Presidency for the Affairs of the Grand Mosque and the Prophet's Mosque.

Amer Mohammed AlShehri

Chief Shared Services Officer

Previous Positions

Senior Vice President of Human Resources, SALIC

Qualifications and Experience

Holds a bachelor's degree in economics from King Saud University in Riyadh and has more than 17 years of experience in human capital and corporate services across a range of sectors, including investments, consulting, consumer goods, manufacturing, and the public sector. Currently serves on the Nominations and Remuneration Committees of AlHilal Club Company and Hunting Reserves Development Company.

Tala AlJahlan

Executive Director of Legal Affairs

Previous Positions

Chief Legal Officer at Asir Region Development Authority, Chief Administrator for a regional organization

Qualifications and Experience

Holds a master's degree in commercial law from Prince Sultan University, and is a recipient of the Fourth Class King Abdulaziz Medal in recognition of her leadership of the legal department during the Kingdom's presidency of the G20. Her experience extends to working at the Diriyah Gate Development Authority, and she has taken a number of specialized training programs in prestigious international institutions including LSE and MBSC.

Abdulaziz Mohammed AlMoajil

Executive Director of Internal Audit

Previous Positions

Head of Internal Audit at Derayah Financial

Qualifications and Experience

Holds a master's degree in business administration from the University of Wolverhampton in the United Kingdom, obtained in 2014. Serves on a number of audit committees, including the Audit Committee of Nice One and Rasan Information Technology Company, in addition to the Audit and Risk Committee of The Charity Society for Orphan Care (Insan).

E. Measures Taken by the Board of Directors to Inform Its Members, Particularly Non-Executive Members, of Shareholders' Proposals and Comments on the Company and Its Performance

At the first Board meeting, the Chairman informs the members of the Board of Directors, particularly the non-executive members, of any proposals and comments received by the Board from shareholders concerning the Company and its performance.

The Board of Directors held two meetings during the period from 01/01/2025 to 24/06/2025.

Tenth Term

	Member Name	Meeting		Attendance Rate
		First Meeting 25/02/2025	Second Meeting 27/05/2025	
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	Present	Present	100%
2	Majed Nasser Alsubeaei	Present	Absent	50%
3	Sulaiman Nasser AlHatlan	Present	Present	100%
4	Abdul-Ilah Abdulrahman AlHussein	Present	Present	100%
5	Abdulrahman Ayed AlQahtani	Present	Absent	50%
6	Abdullah Mohammed AlBahouth	Present	Present	100%
7	Fahad Abdullah AlKassim	Present	Present	100%
8	Nayef Ibrahim AlHudaithi	Present	Present	100%

The Board of Directors held three meetings during the period from 25/06/2025 to 31/12/2025.

Eleventh Term

	Member Name	Meeting			Attendance Rate
		First Meeting 02/07/2025	Second Meeting 27/09/2025	Third Meeting 16/12/2025	
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	Present	Present	Present	100%
2	Dr. Ibrahim Saad AlMuajil	Present	Present	Present	100%
3	Osama Farij AlOwaidhi	Present	Present	Present	100%
4	Sulaiman Nasser AlHatlan	Present	Present	Present	100%
5	Abdulrahman Ayed AlQahtani	Present	Present	Absent	66.66%
6	Majed Nasser Alsubeaei	Present	Present	Present	100%
7	Nayef Ibrahim AlHudaithi	Present	Present	Present	100%
8	Yazeed Mohammed AlJarid	Present	Present	Present	100%

F. Means Relied Upon by the Board of Directors to Evaluate Its Performance and the Performance of Its Committees and Members, and the External Party That Conducted the Evaluation and Its Relationship with the Company, if Any

The Nominations and Remuneration Committee reviews areas of strength and weakness within the Board of Directors whenever they arise, examines their causes, and proposes appropriate remedies in ways that serve the Company's interests and support the development of its performance.

Third:

Interests and Rights of Board Members, Senior Executives,Their Spouses, and Their Minor Children

Board Members' Interests and Rights

Tenth Term

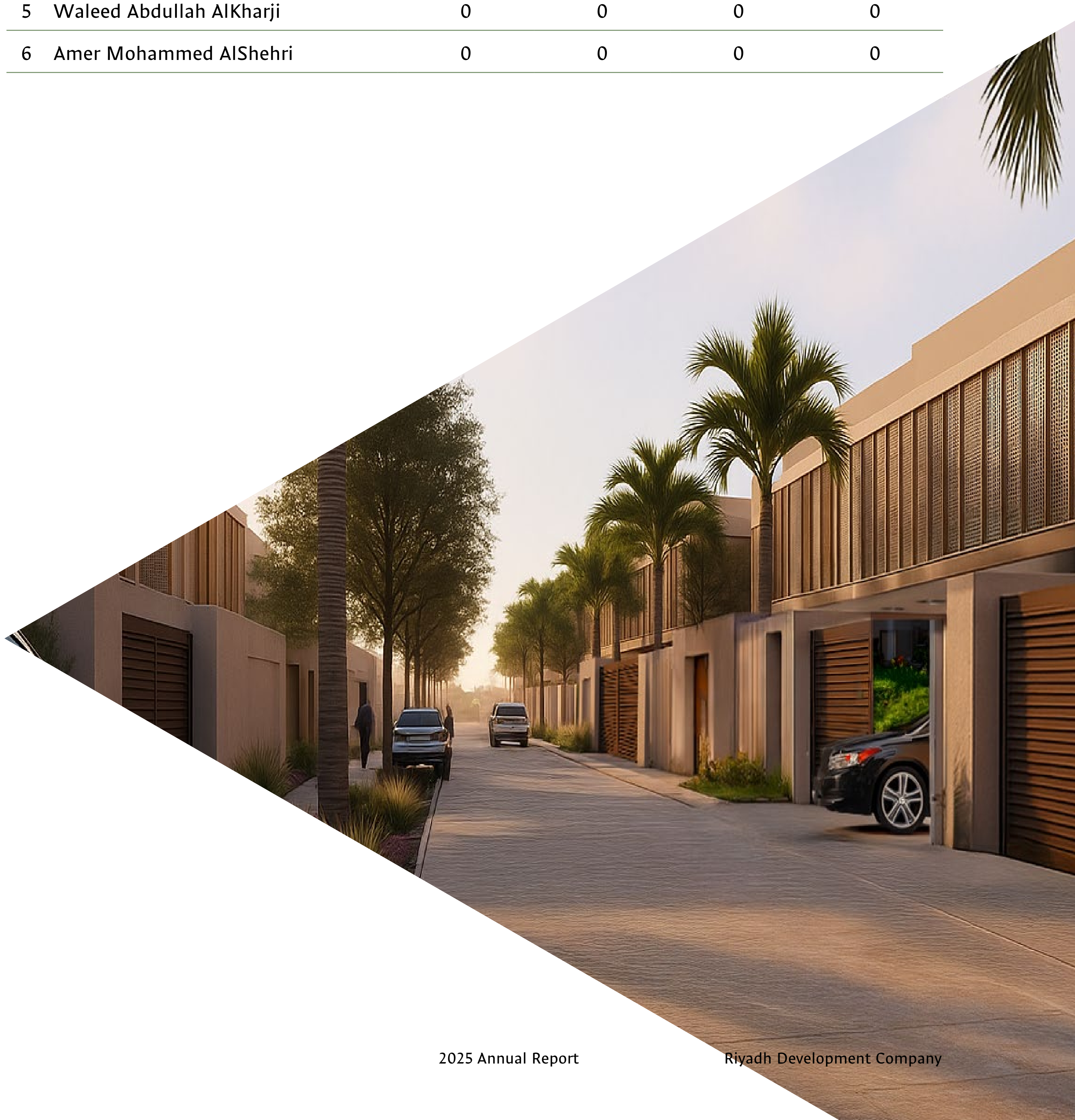
	Member Name	Beginning of Period 01/01/2025	Percentage	Until 24/06/2025	Percentage
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	0	0	0	0
2	Majed Nasser Alsubeaei	8,047,257	4.53%	8,047,257	3.44%
3	Sulaiman Nasser AlHatlan	0	0	0	0
4	Abdul-Ilah Abdulrahman AlHussein	560,104	0.31%	560,104	0.24%
5	Abdulrahman Ayed AlQahtani	69,375	0.04%	69,375	0.03%
6	Abdullah Mohammed AlBahouth	0	0	0	0
7	Fahad Abdullah AlKassim	2,000	0.001%	2,000	0.0008%
8	Nayef Ibrahim AlHudaithi	0	0	0	0

Eleventh Term

	Member Name	Beginning of Period 25/06/2025	Percentage	Until 31/12/2025	Percentage
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	0	0	0	0
2	Dr. Ibrahim Saad AlMuajil	0	0	0	0
3	Osama Farij AlOwaidhi	0	0	0	0
4	Sulaiman Nasser AlHatlan	0	0	0	0
5	Abdulrahman Ayed AlQahtani	69,375	0.03%	69,375	0.03%
6	Majed Nasser Alsubeaei	8,047,257	3.44%	8,032,537	3.43%
7	Nayef Ibrahim AlHudaithi	0	0	0	0
8	Yazeed Mohammed AlJarid	0	0	0	0

Senior Executives' Interests and Rights

	Name	Beginning of Period 01/01/2025	Percentage	Until 31/12/2025	Percentage
1	Jehad Abdulrahman Alkadi	0	0	0	0
2	Dr. Wael Azzam Jundi	0	0	0	0
3	Anas Tariq Najmi	0	0	0	0
4	Mohammed Ahmed AlKulaib	0	0	0	0
5	Waleed Abdullah AlKharji	0	0	0	0
6	Amer Mohammed AlShehri	0	0	0	0



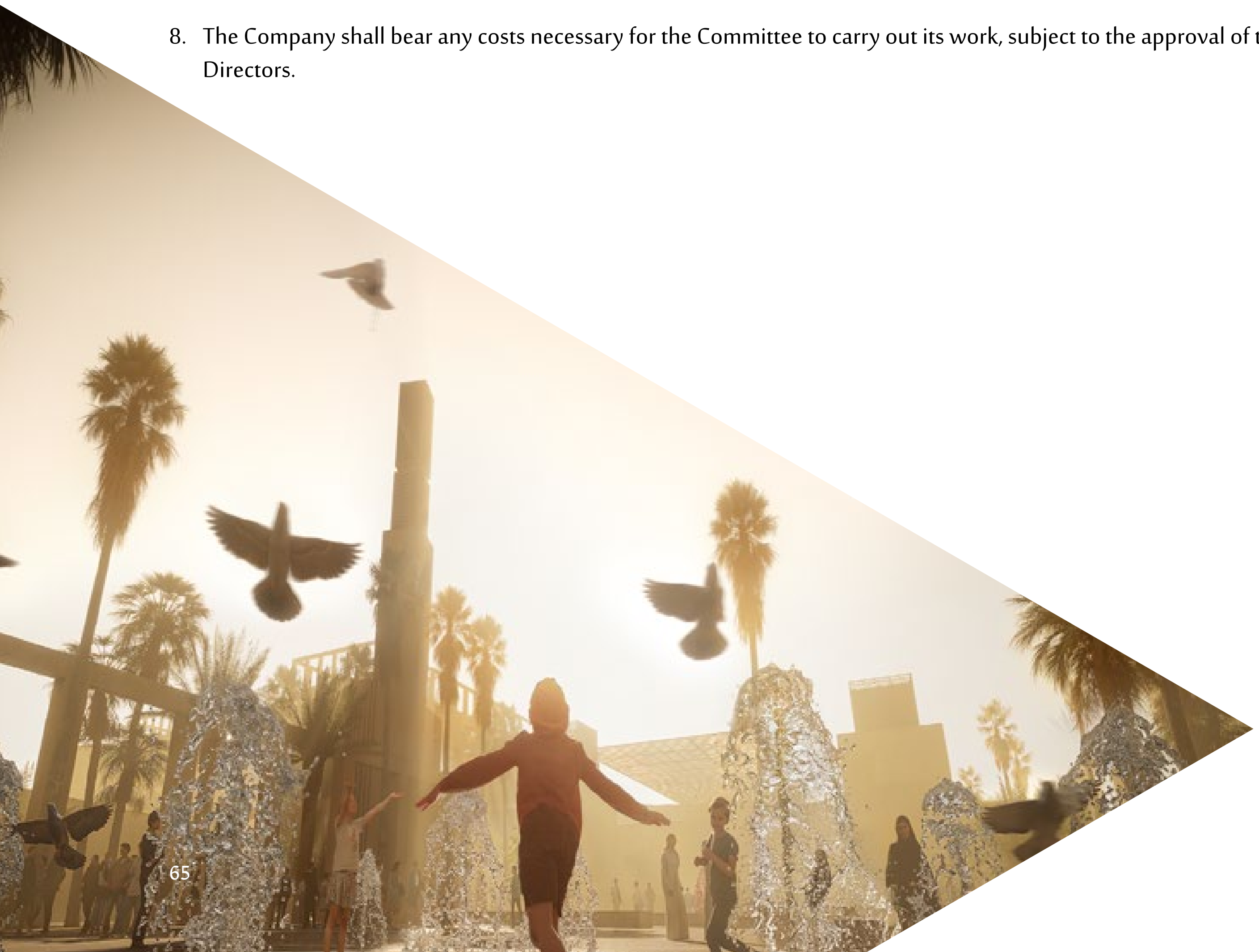
Fourth:

Board Committee Responsibilities

Executive Committee

Committee Responsibilities

1. Review the adequacy of working capital, the business model in place, the strategic plans, and the Company's financing activities.
2. Review matters before they are presented to the Board of Directors and submit its views and recommendations.
3. Review investment opportunities, acquisition and merger activity, ownership arrangements, and proposed partnerships, and make recommendations to the Board of Directors accordingly.
4. Review the effect of proposed transactions and deals on the Company's statement of financial position, including the financing required and the impact on liquidity and leverage ratios, and submit its recommendations to the Board of Directors.
5. Review progress on integration procedures and programs following any merger or acquisition involving a business acquired by the Company during the first three months after completion of the transaction, in order to ensure that the acquired business is incorporated smoothly into the Company's operations.
6. Undertake any other tasks consistent with its purpose, duties, and responsibilities, as well as any other matters referred to it by the Board of Directors.
7. Through its Chairman, submit periodic reports to the Board of Directors covering the decisions, procedures, and actions it has taken.
8. The Company shall bear any costs necessary for the Committee to carry out its work, subject to the approval of the Board of Directors.



Committee Members and Meetings Held in 2025

Tenth Term

Majed Nasser Alsubeaei
Committeve Chairman

Abdullah Mohammed AlBahouth
Member

Fahad Abdullah AlKassim
Member

Nayef Ibrahim AlHudaithi
Member

	Member Name	Meeting	
		First Meeting 18/02/2025	Second Meeting 22/05/2025
1	Majed Nasser Alsubeaei	Present	Present
4	Abdullah Mohammed AlBahouth	Present	Present
2	Fahad Abdullah AlKassim	Present	Present
3	Nayef Ibrahim AlHudaithi	Present	Present

Eleventh Term

Majed Nasser Alsubeaei
Committeve Chairman

Dr. Ibrahim Saad AlMuajil
Member

Nayef Ibrahim AlHudaithi
Member

	Member Name	First Meeting 09/09/2025	Second Meeting 03/11/2025	Third Meeting 10/12/2025	Fourth Meeting 25/12/2025
1	Majed Nasser Alsubeaei	Present	Present	Present	Present
2	Dr. Ibrahim Saad AlMuajil	Present	Present	Present	Present
3	Nayef Ibrahim AlHudaithi	Present	Present	Present	Present

Audit Committee

Committee Responsibilities

The Committee reviews matters within its remit, as well as any matters referred to it by the Board of Directors, and submits its recommendations to the Board for decision, or takes such decisions as the Board has delegated to it. It also keeps the Board of Directors informed of the conclusions it reaches, the decisions it takes, and the recommendations it makes.

The Committee oversees the Company's activities and financial affairs in order to verify the policies and procedures that safeguard the integrity and fairness of its financial reports, financial statements, and internal control systems. Its responsibilities include the following:

01. Financial Reporting

- Review the preliminary quarterly and annual financial statements before they are submitted to the Board of Directors, and provide its views and recommendations in order to support their integrity, fairness, and transparency.
- Provide a technical opinion, at the request of the Board of Directors, on whether the Board's annual report and the Company's financial statements are fair, balanced, understandable, and sufficiently informative to enable shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Review any significant or unusual matters contained in the financial reports and accounts.
- Consider any matters raised by the Chief Financial Officer, any person performing that role, the Company's compliance officer, or the external auditor.
- Review accounting estimates relating to material matters contained in the financial reports.
- Review the accounting policies applied by the Company and submit its views and recommendations to the Board of Directors accordingly.

02. Internal Audit

- Review the Company's internal control, financial control, and risk management systems.
- Oversee the plans and activities of the Internal Audit function, assess their effectiveness in light of the applicable laws, regulations, and professional standards, and recommend to the Board of Directors the appointment of the head of Internal Audit or the internal auditor, together with the proposed remuneration.
- Review internal audit reports and follow up on the corrective action taken in response to the observations they contain.
- Supervise the performance and activities of the internal auditor and the Internal Audit function in order to assess the adequacy of resources and their effectiveness in carrying out assigned duties. Where the Company does not have an internal auditor, the Committee shall submit its recommendation to the Board of Directors on whether such an appointment is needed.
- Safeguard the independence of the Internal Audit function and support its ability to carry out its work effectively.

03. External Auditor

- Recommend to the Board of Directors the nomination, dismissal, remuneration, and performance evaluation of the external auditors, after confirming their independence and reviewing the scope of their work and the contractual terms of their engagement.
- Review the independence and objectivity of the external auditor in light of the relevant rules and standards.
- Review the external auditor's plan and work, confirm that there has been no overreach or shortcoming in the performance of its duties, verify that it has not undertaken work outside the scope of the audit, and provide its views accordingly.
- Respond to the external auditor's inquiries.
- Review the external auditor's reports and observations on the financial statements, provide its views where applicable, and follow up on the actions taken in response.

04. Compliance

- Review the findings of reports issued by regulatory authorities and confirm that the necessary action has been taken in response.
- Oversee compliance with the laws, regulations, policies, and instructions relevant to the Committee's scope of work.
- Review proposed contracts and transactions with related parties, as well as any potential conflicts of interest, and submit its recommendations to the Board of Directors.
- Refer to the Board of Directors, within its scope of work, any matters that it considers require action, together with its recommendations on the steps to be taken.

Committee Members and Meetings Held in 2025

Tenth Term

Sulaiman Nasser AlHatlan
Committee Chairman

Ahmed Abdullah AlKanhal
Member

Saleh Moqbel AlKhalaf
Member

Nayef Ibrahim AlHudaithi
Member

	Member Name	Meeting: First Meeting 17/02/2025	Meeting: Second Meeting 01/05/2025
1	Sulaiman Nasser AlHatlan	Present	Present
2	Ahmed Abdullah AlKanhal	Present	Present
3	Saleh Moqbel AlKhalaf	Present	Present
4	Nayef Ibrahim AlHudaithi	Present	Absent

Eleventh Term

Sulaiman Nasser AlHatlan
Committee Chairman

Ahmed Abdullah AlKanhal
Member

Saleh Moqbel AlKhalaf
Member

Yazeed Mohammed AlJarid
Member

	Member Name	Meeting: First Meeting 21/07/2025	Meeting: Second Meeting 22/10/2025	Meeting: Third Meeting 30/12/2025
1	Sulaiman Nasser AlHatlan	Present	Present	Present
2	Ahmed Abdullah AlKanhal	Present	Present	Present
3	Saleh Moqbel AlKhalaf	Present	Present	Present
4	Yazeed Mohammed AlJarid	Present	Present	Present

Nominations and Remuneration Committee

Committee Responsibilities

01. The Committee is responsible for the following in relation to remuneration:

- Formulate a comprehensive remuneration policy for the Board of Directors, Board committees, and Executive Management. The Committee advances this framework to the Board for review and subsequent General Assembly ratification, ensuring the policy remains strictly performance-linked, transparently disclosed, and subject to structured implementation audits.
- Substantiate the alignment between the compensation awarded and the governing remuneration policy, and proactively disclose any material deviations.
- Execute systematic assessments of the remuneration policy to validate its strategic efficacy in driving corporate objectives.
- Recommend to the Board of Directors the remuneration of its members, its committees, and the Company's senior executives in accordance with the approved policies and regulations.
- Review and approve the Chief Executive Officer's recommendations on the general framework for financial remuneration and other benefits for senior executives, to be implemented by the Chief Executive Officer in line with the policy referred to above.

02. The Committee is responsible for the following in relation to nominations:

- Establish definitive policies and stringent criteria governing Board and Executive Management membership.
- Recommend the nomination and reappointment of Board members in alignment with approved corporate standards, ensuring the absolute preclusion of any candidate previously convicted of a breach of trust.
- Define the precise competencies, qualifications, and professional caliber mandated for Board and Executive Management roles.
- Quantify the baseline time commitment required from members to effectively discharge their fiduciary duties.
- Conduct an annual review of the skills and experience required for Board membership and senior management positions.
- Review the structure of the Board of Directors, Executive Management, and Board committees, and submit recommendations to the Board of Directors on any changes that may be made.
- Systematically verify the ongoing independence of independent directors on an annual basis, ensuring no conflicts of interest arise from external corporate directorships.
- Develop job descriptions for executive, non-executive, and independent Board members, as well as senior management.
- Establish procedures for filling vacancies in Board membership or senior management positions.
- Identify areas of strength and weakness within the Board of Directors and propose appropriate solutions in line with the Company's interests. This includes proposing the mechanisms needed to evaluate annually the performance of the Board, its members, and its committees through suitable performance indicators linked to the achievement of the Company's strategic objectives, the quality and adequacy of internal control systems, and other relevant considerations.
- Review the remuneration of Board committees, recommend any amendments, and submit them to the Board of Directors for approval.
- Provide an appropriate level of induction and training for new Board and committee members on the Company's activities and achievements, enabling them to discharge their responsibilities effectively.
- Develop the mechanisms needed to ensure that Board members and Executive Management receive ongoing training programs and courses designed to strengthen their skills and knowledge in areas relevant to the Company's activities and management.

03. Other Responsibilities: The Committee is also responsible for the following:

- Assist the Board of Directors in developing and reviewing the Company's organizational structure.
- Monitor the implementation of the employee grievance policy and confirm its effectiveness.

Board and Committee Remuneration Policy

- The remuneration of Board members may take the form of a fixed amount, a meeting attendance allowance, an expense allowance, in-kind benefits, or a percentage of profits. Two or more of these forms may be combined, provided that the total does not exceed the limits set by the Companies Law and its implementing regulations, in accordance with the schedule included in this policy and any subsequent amendments approved in line with the applicable rules.
- Remuneration may vary in amount under this policy. The annual report of the Board of Directors to the General Assembly of Shareholders must include a comprehensive statement of all remuneration, expense allowances, and other benefits received by Board members during the financial year. It must also include a statement of any amounts received by Board members in their capacity as employees or executives, or in return for technical, administrative, or advisory work, if any. It must further state the number of Board meetings held and the number attended by each member since the date of the last General Assembly meeting.
- Where the remuneration of Board members is linked to a percentage of profits, the provisions of paragraph (2) of Article Seventy-Six of the Companies Law and Article 45 of the Articles of Association must be observed, provided that the total remuneration and financial and in-kind benefits received by any individual Board member do not exceed SAR 500,000 per year in all cases.
- The remuneration of independent Board members must not be based on a percentage of the profits earned by the Company, nor may it be linked directly or indirectly to the Company's profitability.

01. Each Board member, including the Chairman, is entitled to the following:

- An annual remuneration, provided that the total remuneration and financial or in-kind benefits received by a Board member do not exceed SAR 500,000 per year in accordance with applicable regulations. The Chairman of the Board and committee chairmen may receive additional remuneration in consideration of the responsibilities and work assigned to them.
- An attendance allowance of SAR 3,000 for each meeting attended.
- A travel and transportation allowance of SAR 3,000 for members residing outside the city in which the meeting is held.
- Profit-linked remuneration in the form of a specified percentage of net profits, to be determined on the basis of a recommendation from the Nominations and Remuneration Committee, where the Company has generated profits and the relevant legal and regulatory conditions have been satisfied, provided that the remuneration of independent Board members is not linked to a percentage of the Company's profits, whether directly or indirectly.
- The fixed annual remuneration payable to a Board member may be reviewed from time to time on the basis of a recommendation from the Committee in light of performance-related considerations, subject to the approval of the General Assembly of Shareholders.
- Meeting attendance allowances and any additional attendance payments are made on a quarterly basis, while the fixed annual remuneration is paid after approval by the General Assembly of Shareholders.

02. Each member of a Board committee is entitled to the following:

- A fixed annual amount of SAR 150,000.
- An attendance allowance of SAR 3,000 for each meeting attended.
- The fixed annual remuneration and meeting attendance allowances are paid on a quarterly basis.

03. Board members and members of Board committees are entitled to the following expenses and other benefits:

- The Company bears the cost of travel tickets for Board and committee members residing outside Riyadh.
- Where a meeting is held outside Riyadh, the Company bears the accommodation and travel costs of all Board members, committee members, and Executive Management. Alternatively, a member may elect to receive a lump-sum amount, provided that it does not exceed SAR 5,000.
- All round-trip travel tickets for Board and committee members are to be in first class or business class.
- The Company confirms that there has been no material deviation from this policy.

Committee Members and Meetings Held in 2025

Tenth Term

Abdul-Ilah Abdulrahman AlHussein
Committee Chairman

Dr. Fahad Mousa AlZahrani
Member

Abdullah Mohammed AlBahouth
Member

	Member Name	Meeting		
		First Meeting 28/01/2025	Second Meeting 16/02/2025	Third Meeting 06/04/2025
1	Abdul-Ilah Abdulrahman AlHussein	Present	Present	Present
2	Dr. Fahad Mousa AlZahrani	Present	Present	Present
3	Abdullah Mohammed AlBahouth	Present	Present	Present

Eleventh Term

Abdulrahman Ayed AlQahtani
Committee Chairman

Osama Farij AlOwaidhi
Member

Bakr Ghazi Darwish
Member

Dr. Fahad Mousa AlZahrani
Member

	Member Name	Meeting	
		First Meeting 03/09/2025	Second Meeting 18/11/2025
1	Abdulrahman Ayed AlQahtani	Present	Present
2	Osama Farij AlOwaidhi	Present	Present
3	Bakr Ghazi Darwish	-	Present
4	Dr. Fahad Mousa AlZahrani	Present	Present

* The Board of Directors resolved to appoint Mr. Bakr Ghazi Darwish as a member of the Nominations and Remuneration Committee with effect from 01/10/2025.

Fifth:

Remuneration and Compensation

	Item	Top Five Senior Executives by Total Remuneration and Compensation Including the Chief Executive Officer and the Chief Financial Officer
1	Salaries and compensation	13,098,988
2	Allowances	-
3	Periodic and annual bonuses	-
4	Incentive plans	9,877,946
5	Any other compensation or in-kind benefits paid monthly or annually	-

		Fixed Remuneration							Variable Remuneration								
		Fixed Amont	Board Meeting Attendance Allowance	Total Meeting Attendance Allowance (Committees)	Benefits in Kind	Remuneration for Technical, Administrative, and Advisory Services	Remuneration for Chairman / Managing Director/ Secretary (if applicable)	Total	Percentage of Profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (value)	Total	End-of-Service Gratuity	Grand Total	Allowance for Expenses
First: Independent Members																	
1	Osama Farij AlOwaidhi	0	9,000	6,000	0	0	0	15,000	0	100,000	0	0	0	100,000	0	115,000	0
2	Dr. Ibrahim Saad AlMuajil	0	9,000	12,000	0	0	0	21,000	0	100,000	0	0	0	100,000	0	221,000	0
3	Sulaiman Nasser AlHatlan	0	15,000	15,000	0	0	0	30,000	0	200,000	0	0	0	200,000	0	230,000	0
4	Abdul-Ilah Abdulrahman AlHussein	0	6,000	9,000	0	0	0	15,000	0	100,000	0	0	0	100,000	0	115,000	0
5	Abdulrahman Ayed AlQahtani	0	9,000	6,000	0	0	0	15,000	0	200,000	0	0	0	200,000	0	215,000	25,000
6	Majed Nasser Alsubeaei	0	12,000	18,000	0	0	0	30,000	0	200,000	0	0	0	200,000	0	230,000	0
7	Nayef Ibrahim AlHudaithi	0	15,000	24,000	0	0	0	39,000	0	200,000	0	0	0	200,000	0	239,000	0
8	Yazeed Mohammed AlJarid	0	9,000	9,000	0	0	0	18,000	0	100,000	0	0	0	100,000	0	115,000	0
Second: Non-Executive Members																	
9	HRH Prince Faisal bin Abdulaziz bin Ayyaf, PhD	0	15,000	0	0	0	0	15,000	0	400,000	0	0	0	400,000	0	415,000	0
10	Abdullah Mohammed AlBahouth	0	6,000	15,000	0	0	0	21,000	0	100,000	0	0	0	100,000	0	121,000	0
11	Fahad Abdullah AlKassim	0	6,000	6,000	0	0	0	12,000	0	100,000	0	0	0	100,000	0	112,000	0
Total		**0**	**111,000**	**120,000**	**0**	**0**	**0**	**231,000**	**0**	**1,800,000**	**0**	**0**	**0**	**1,800,000**	**0**	**2,031,000**	**25,000**

Committee Members' Remuneration

	Member Name	Fixed Remuneration (excluding meeting attendance)	Meeting Attendance Allowance	Total
	Audit Committee Members			
1	Ahmed Abdullah AlKanhal	150,000	15,000	165,000
2	Sulaiman Nasser AlHatlan	150,000	15,000	165,000
3	Saleh Moqbel AlKhalaf	150,000	15,000	165,000
4	Nayef Ibrahim AlHudaithi	75,000	6,000	81,000
5	Yazeed Mohammed AlJarid	75,000	9,000	84,000
	Total	**600,000**	**60,000**	**660,000**
	Nomination & Remuneration Committee Members			
1	Osama Farij AlOwaidhi	75,000	6,000	81,000
2	Bakr Ghazi Darwish	75,000	3,000	78,000
3	Abdul-Ilah Abdulrahman AlHussein	75,000	9,000	84,000
4	Abdulrahman Ayed AlQahtani	75,000	6,000	81,000
5	Abdullah Mohammed AlBahouth	75,000	9,000	84,000
	Total	**525,000**	**48,000**	**573,000**
	Executive Committee Members			
1	Ibrahim Saad AlMuajil	75,000	12,000	87,000
2	Abdullah Mohammed AlBahouth	75,000	6,000	81,000
3	Fahad Abdullah AlKassim	75,000	6,000	81,000
4	Majed Nasser Alsubeaei	150,000	18,000	168,000
5	Nayef Ibrahim AlHudaithi	150,000	18,000	168,000
	Total	**525,000**	**60,000**	**585,000**

Sixth:

Annual Review of Internal Control Effectiveness

As part of its audit of the Company's year-end financial statements, the external auditor evaluates the internal control system, including the accounting system, from both a design and an implementation perspective, and provides the Company with a report setting out any weaknesses identified in the system, where applicable, together with the means of addressing them. The external auditor is also given access to the reports of the Internal Audit Unit for the period under review. Under the supervision of the Audit Committee, the Internal Audit Unit carries out ongoing financial, operational, and technical reviews to assess the effectiveness and efficiency of internal control systems in safeguarding the Company's assets, evaluating business risks, and measuring the adequacy of performance. The Internal Audit Unit submits its quarterly reports to the Audit Committee, including the results of its assessment of the Company's internal controls.

The annual report of the Audit Committee confirmed the effectiveness and quality of the Company's internal control procedures and did not identify any material weaknesses in the Company's internal control system during 2025.

Board Declarations

The internal control system has been prepared on sound foundations and effectively implemented.

The accounting records were prepared properly.

There are no significant doubts regarding the Company's ability to continue its activities.

Disclosure and Transparency Policy

At Riyadh Development Company, disclosure and transparency are applied as a formal policy to ensure that all material matters, including the Company's financial position and performance, are disclosed accurately and in a timely manner. Disclosure and transparency also form one of the Company's core governance principles. On that basis, the Company confirms the following:

- The Company has no loans.
- No penalty, sanction, precautionary measure, or precautionary restriction has been imposed on the Company by the Capital Market Authority or by any supervisory, regulatory, or judicial body.
- The Company confirms that none of the members of the Board of Directors has any participation in any loan, and that the Company has not guaranteed any loan or obligation of any kind for any Board member.
- The Company has no information regarding any arrangement or agreement under which any member of the Board of Directors or any senior executive has waived any salary or compensation.
- The Company has no information regarding any arrangement or agreement under which any shareholder has waived any right to profits.
- No investments or other reserves have been created for the benefit of any of the Company's employees.
- The Company has not been notified of any interest in any class of voting shares, nor of any change in such rights during the most recent financial year.
- The Company has no debt instruments convertible into shares, nor any option rights, subscription warrants, or similar rights.
- The Company has not issued any conversion or subscription rights under debt instruments convertible into shares, nor any option rights, subscription warrants, or similar rights.
- The Company has not undertaken any redemption, purchase, or cancellation of redeemable debt instruments.
- At its meeting held on 02/03/2026, the Board of Directors recommended to the General Assembly the distribution of SAR 58,482,704.50 to the Company's shareholders, equivalent to 25 halalas per share, as dividends for the second half of 2025.

Related-Party Transactions

Company	Transaction Amount	Nature of Transaction	Related Parties
AlTilal Company for Educational Facilities Development	112,786,592	Capital contribution, settlement of amounts due, financing provided, and expenses paid on behalf.	1. Prince Faisal bin Abdulaziz bin Ayyaf, PhD, Chairman of Riyadh Development Company and Chairman of Riyadh Holding Company, in view of the two companies' ownership interests in AlTilal Company for Educational Facilities Development. 2. The Company's Chief Executive Officer, as the Company's representative on the Board of Managers and the Partners' Council.
Abraj AlGhadeer Real Estate Development	3,095,522	Financing and expenses paid on behalf of the Company.	1. The Company's Chief Executive Officer, as the Company's representative on the Board of Managers and the Partners' Council. 2. The Chief Investment Officer, as the Company's representative on the Board of Managers.

General Assemblies

	Name	Attendance Record: Extraordinary General Assembly Meeting 04/02/2025 (Held remotely)	Attendance Record: Extraordinary General Assembly Meeting 11/05/2025 (Held remotely)
1	Prince Faisal bin Abdulaziz bin Ayyaf, PhD	Absent	Absent
2	Majed Nasser Alsubeaei	Present	Present
5	Sulaiman Nasser AlHatlan	Present	Present
6	Abdul-Ilah Abdulrahman AlHussein	Present	Present
8	Abdulrahman Ayed AlQahtani	Present	Present
4	Abdullah Mohammed AlBahouth	Present	Present
3	Fahad Abdullah AlKassim	Present	Present
7	Nayef Ibrahim AlHudaithi	Present	Present

Dividend Distribution

	Dividends Distributed During the Year			
	H2 2024 Dividends	H1 2025 Dividends	Proposed Distribution at Year-End	Total Dividends
Percentage	2.5%	2.5%	2.5%	7.5%
Total	58,482,704.50 ⃁	58,482,704.50 ⃁	58,482,704.50 ⃁	175,448,113.50 ⃁

Shareholders Register Requests

The Company submitted 5 applications for the shareholders register.

Reason for Application	Date of Application
Other	02/01/2025
General Assembly	03/02/2025
General Assembly	08/05/2025
Dividend File	12/05/2025
Dividend File	30/09/2025

Risks

ARDCO's Potential Risks

The risks set out below do not represent all the risks that the Company may face. Additional risks may exist that are not currently known to the Company, or that the Company may presently consider immaterial, but which could nevertheless affect its operations.

01. Volatility in Operations and Dependence on Service Projects

ARDCO's operating model is anchored by two primary business lines: Public benefit services, and real estate development integrated with commercial centers. Financial performance across these segments is directly dictated by market demand and asset utilization. While public service projects experience seasonal demand shifts across Riyadh and the Kingdom, the Company successfully mitigates this volatility through strategic diversification into the transportation, automotive, food, and retail sectors, which expand systematically alongside population growth.

02. Revenue Collection

The Company processes incoming revenue through cash receipts, bank transfers, and checks. To neutralize the inherent risks of collection, ARDCO enforces uncompromising documentation protocols and utilizes highly automated financial monitoring systems.

03. Credit Risk

ARDCO systematically mitigates credit risk, which stems from counterparty default, through the continuous monitoring and rapid collection of all outstanding receivables.

04. Liquidity Risk

Liquidity exposure occurs when an entity lacks sufficient capital to meet financial obligations or cannot liquidate assets rapidly at fair value. The Company neutralizes this risk entirely by maintaining guaranteed access to adequate funding at all times.

05. Saudization

The Company holds the highest Saudization classification under the Ministry of Human Resources and Social Development framework. Although maintaining specific localization ratios involves inherent market variables, ARDCO operates under definitive regulatory systems and executes a targeted recruitment policy to continuously attract, develop, and retain national talent.

06. Business Disruption

Maintaining absolute stakeholder confidence requires highly resilient infrastructure. ARDCO safeguards its physical assets against natural disasters and terrorist incidents through comprehensive preventive maintenance and rigorous security protocols. These proactive measures are designed to aggressively minimize the potential for indirect operational interruptions.

07. Fair Value

Fair value reflects the price at which assets are exchanged or liabilities settled under equitable terms. Because the financial statements are prepared on a historical cost basis, marginal variances between carrying amounts and fair values may emerge; we continuously evaluate these discrepancies as strictly immaterial.

08. Currency Risk

Currency risk materializes through fluctuations in foreign exchange rates. Because the Company executes its commercial transactions entirely in Saudi Riyals, management classifies this exposure as non-material.

09. Changes in Legislation and Regulations

The Company's activities are subject to the rules and regulations governing the real estate sector in the Kingdom, which may undergo periodic updates or amendments by the competent authorities, potentially resulting in additional regulatory requirements. The Company monitors these developments and complies with the regulatory requirements in order to mitigate their potential impacts.

Higher Risk — Lower Risk

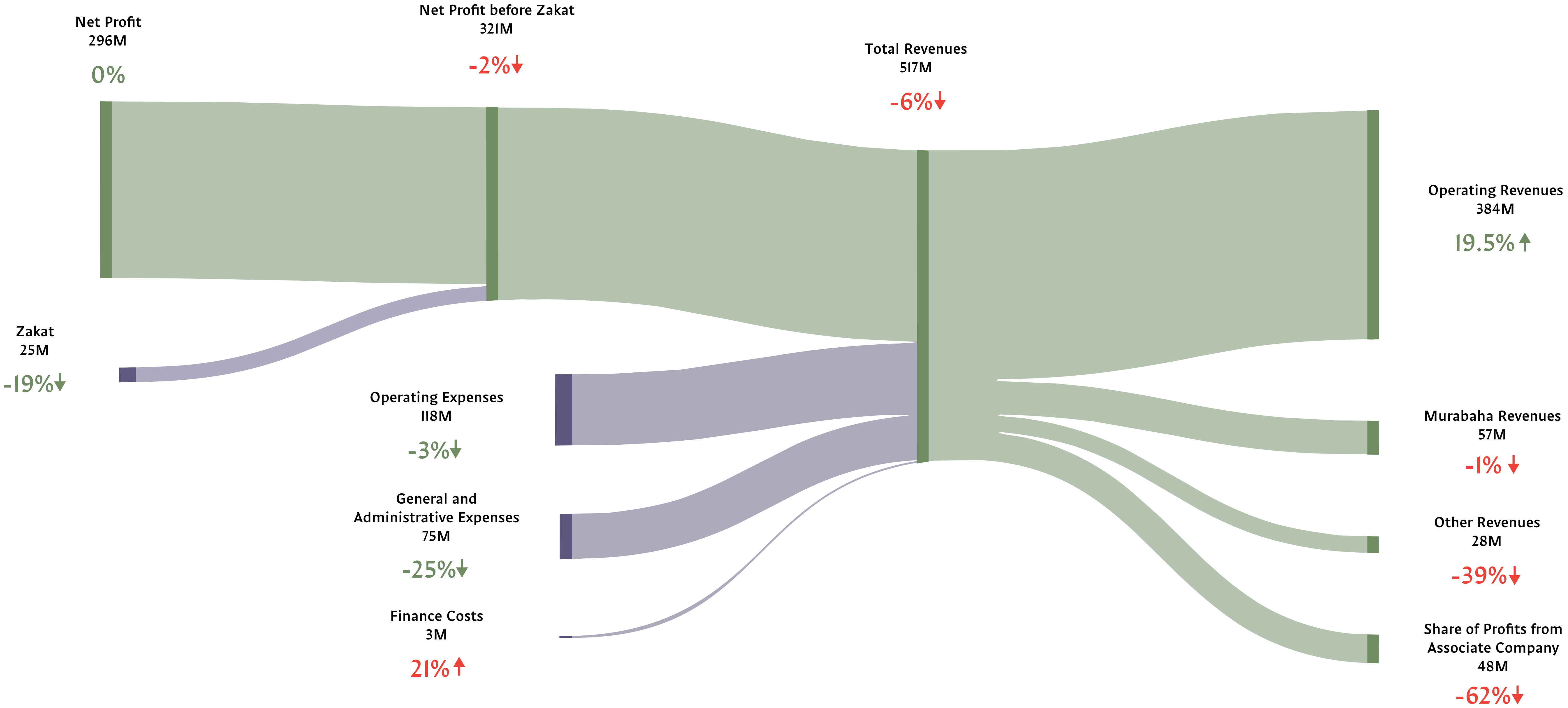
Dividend Distribution Policy

Sustainable Financial Stability

As a foundational corporate policy, the Board of Directors recommends the distribution of year-end profits in strict compliance with Article 40 of the Company's Articles of Association, detailed as follows:

1. Distributing annual or interim dividends to shareholders from distributable profits, adhering strictly to the controls set by competent authorities.
2. Recommending to the General Assembly the allocation of a defined profit percentage, governed by regulatory directives.
3. Appropriating a segment of net profits, based on Board proposals to the Ordinary General Assembly, to build statutory and retained reserves. This mechanism secures corporate interests and sustains consistent, reliable dividend distributions. The Assembly may also allocate funds from net profits to support internal social initiatives for employees.
4. The Ordinary General Assembly may, upon a proposal from the Board of Directors, resolve to distribute these reserves or the reserves previously set aside by the shareholders, including any reserves set aside in accordance with any statutory requirements predating the adoption of these Articles of Association, in a manner that benefits the Company or its shareholders.

Summary of Financial Results for 2025 (Mn SAR)



This report includes some financial metrics that are not considered part of the International Financial Reporting Standards. ARDCO presents these metrics to add context.

06 Financial Statements

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (⃁5,500,000 – Five million five hundred thousand Saudi Riyal)

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No.: 1010383821
Unified No.: 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion
We have audited the consolidated financial statements of Arriyadh Development Company – A Saudi Joint Stock Company and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing that are 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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

Key Audit Matters (Continued)
We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue **The Group 's revenue primarily consists of** rental, **operating** and sale of lands **revenue,** totaling **SR 384.1 million for the year ended 31 December 2025.** **We considered this as a key audit matter, as there are inherent risks about the accuracy of the recorded revenues** due **to the impact of the details of the contracts on the revenue recognition process, which may affect its recoding at a higher or lower value than its actual value, in addition to the materiality of the amounts related to revenues.** ***Please Refer to note (3) for material accounting policy information related to revenue recognition*** *and note (20) for revenue details.*	Our audit procedures included, among others, the following: • Assessed the Group's revenue recognition policies for compliance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants. • Tested the effectiveness of the design and implementation of key controls over the revenue recognition process. • Performed analytical procedures by comparing revenue expectations with actual results and analyzed variances. • Tested a sample of customer invoices and contracts to verify the revenue recording process. • Recalculated a sample of rental income for a sample of contracts to verify the accuracy of the recording. • Assessed the adequacy of the relevant disclosures in the consolidated financial statements.

Shape the future with confidence

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment on investment properties **As at 31 December 2025, investment properties amounted to SR 2,259 billion, representing 51% of the Group's total assets, which are presented at cost, net of accumulated depreciation and impairment, if any.** **For the purposes of impairment assessment testing and the disclosure of the fair value in the Group's consolidated financial statements, investment properties are valued by an accredited independent external valuer expert ("the Valuer") who performs the valuation using generally accepted valuation approaches and methodology, based on assumptions and estimates related to several factors affecting the fair value of the investment properties.** **We considered this as a key audit matter as impairment assessment testing of the investment properties requires significant judgments by management and also involves key estimates, in addition to the materiality of the amounts involved.** ***Please refer to note (3) for material accounting policy information related to investment properties and note (5) for details of investment properties and their fair values.***	Our audit procedures included, among others, the following: • Assessed the Valuer's objectivity, independence and experience. • Compared the fair value of investment properties at year end with the amounts included in the valuation report provided by the Valuer. • Assessed the valuation approaches and methodology used by the Valuer. • Assessed, on a sample basis, the real estate valuations carried out by the valuer, with the help of our specialists, to assist us in evaluating the reasonableness of the key assumptions used to determine the fair values of the investment properties. • Checked the title deeds of the investment properties. • Assessed the adequacy of the relevant disclosures in the consolidated financial statements.

Shape the future with confidence

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Classification of investments in associates and a joint venture As at 31 December 2025, the Group's investments in associates and a joint venture amounted to SR 826.8 million, and the Group's share of results for the year amounted to SR 47.9 million. The Group classified these investments as associates and joint ventures in the consolidated financial statements and accounted for them using the equity method on the basis that it does not control these investees but has either significant influence or joint control. **We considered this as a key audit matter as the process of assessing** control, joint control or significant influence over an investee **is subject to professional judgment by management, in addition to the materiality of the amounts involved.** ***Please refer to Note (3) for material accounting policy information relating to the investments in associate****s and a joint venture* ***and note (8) for details of investments in associates*** *and a joint venture.*	Our audit procedures included, among others, the following: • Looked into the legal documents and agreements related to the associates and the joint venture. • Discussed with management regarding the management of the operations and management structure of the associates and the joint venture, direction of the related activities under contractual arrangements and checking the relevant minutes. • Assessed the factors related to the contractual arrangements adopted by the Group to conclude that there was no control, and there was either significant influence or joint control. • Assessed the adequacy of the relevant disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

Other information included in The Group's 2025 Annual Report

Other information consists of 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 in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available 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.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Company's By-laws, 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia 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.

- 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.

EY
Shape the future with confidence

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARRIYADH DEVELOPMENT COMPANY (CONTINUED)
(A SAUDI JOINT STOCK COMPANY)

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

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 period 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 Ernst & Young Professional Services

R7
EY
سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services (Professional LLC)

Fahad M. Al-Toaimi
Certified Public accountant
License No. (354)

Riyadh: 16 Ramadan 1447H
(5 March 2026)

Arriyadh Development Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	31 December 2025	31 December 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**19,548,083**	19,783,021
Investment properties	5	**2,259,593,546**	853,211,363
Investment properties under development	6	**14,098,113**	1,501,380
Right-of-use assets	7	**8,611,973**	9,700,753
Investment in an associate and a joint venture	8	**826,875,815**	756,399,865
Investments designated at FVTPL	9	**184,479,915**	-
Advance payment for subscription to a real estate fund	9	-	182,481,748
Murabaha investment deposits – long term	12	-	630,000,000
TOTAL NON-CURRENT ASSETS		**3,313,207,445**	2,453,078,130
CURRENT ASSETS			
Accounts receivable, prepayments and other receivables	10	**61,432,641**	46,760,117
Due from related parties	11	**7,751,363**	46,299,775
Murabaha investment deposits – short term	12	**1,025,000,000**	300,000,000
Cash at banks	24	**31,491,631**	40,915,578
		1,125,675,635	433,975,470
Assets held for sale	13	**2,002,840**	22,475,649
TOTAL CURRENT ASSETS		**1,127,678,475**	456,451,119
TOTAL ASSETS		**4,440,885,920**	2,909,529,249
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	14	**2,339,308,180**	1,777,777,770
Additional share capital	14	**842,295,615**	-
Statutory reserve	15	-	184,701,083
Retained earnings		**945,447,922**	581,365,746
TOTAL SHAREHOLDERS' EQUITY		**4,127,051,717**	2,543,844,599
NON-CURRENT LIABILITIES			
Lease liabilities	7	**42,114,635**	46,390,001
End of service benefits provision	16	**16,604,724**	13,754,456
TOTAL NON-CURRENT LIABILITIES		**58,719,359**	60,144,457
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other payables	17	**144,071,246**	172,189,001
Due to related parties	11	-	12,535,173
Lease liabilities - current portion	7	**7,563,951**	7,794,706
Accrued dividends payable	18	**77,755,572**	76,387,682
Zakat provision	19	**25,724,075**	36,633,631
TOTAL CURRENT LIABILITIES		**255,114,844**	305,540,193
TOTAL LIABILTIES		**313,834,203**	365,684,650
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,440,885,920**	2,909,529,249

Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib

Member of the Board of Directors
and Chairman of the Audit Committee
Mr.Suleiman bin Nasser Al Hatlan Al-Qahtani

Chief Executive Officer
Mr. Jehad bin Abdulrahman Al-Kadi

The attached notes (1) to (34) form an integral part of these financial statements.

Arriyadh Development Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
Revenue	20	**384,157,259**	321,517,468
Costs of revenue	21	**(118,524,251)**	(121,563,544)
Gross profit		**265,633,008**	199,953,924
General and administrative expenses	22	**(74,811,402)**	(99,741,339)
Profit for the year from main operations		**190,821,606**	100,212,585
Finance costs - Lease liabilities	7	**(3,032,549)**	(2,514,633)
Murabaha Investment deposits' income	12	**56,905,758**	57,459,747
Group's share of profit of Investment in an associate and a joint venture	8	**47,987,128**	125,859,069
Unrealized gains from investments designated at FVTPL	9	**1,998,167**	-
Gain from sale of Investment properties	5	**-**	17,187,949
Other income	23	**25,916,570**	28,195,162
Net profit for the year before Zakat		**320,596,680**	326,399,879
Zakat expense	19	**(24,534,395)**	(30,203,434)
NET PROFIT FOR THE YEAR		**296,062,285**	296,196,445
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:			
Actuarial gains of end of service benefits provision	16	**284,217**	149,291
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		**284,217**	149,291
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**296,346,502**	296,345,736
EARNINGS PER SHARE			
Basic and diluted earnings per share from net profit for the year	32	**1.30**	1.67

Chief Financial Officer Mr. Mohammed bin Ahmed Al-Kulaib	Member of the Board of Directors and Chairman of the Audit Committee Mr.Suleiman bin Nasser Al Hatlan Al-Qahtani	Chief Executive Officer Mr. Jehad bin Abdulrahman Al-Kadi

Arriyadh Development Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2025
(All Amounts in Saudi Riyals unless otherwise stated)

	Share capital	*Additional share capital*	*Statutory reserve*	*Retained earnings*	*Revaluation reserve of investments designated at FVOCI*	*Total shareholders' equity*
Balance as at 1 January 2024	1,777,777,770	-	155,081,438	450,786,058	(2,813,070)	2,380,832,196
Net profit for the year	-	-	-	296,196,445	-	296,196,445
Other comprehensive income for the year	-	-	-	149,291	-	149,291
Total comprehensive income for the year	-	-	-	296,345,736	-	296,345,736
Transferred from retained earnings to statutory reserve	-	-	29,619,645	(29,619,645)	-	-
Transferred from the revaluation reserve of investments designated at FVOCI to retained earnings	-	-	-	(2,813,070)	2,813,070	-
Dividends (note 29)	-	-	-	(133,333,333)	-	(133,333,333)
Balance as at 31 December 2024	1,777,777,770	-	184,701,083	581,365,746	-	2,543,844,599
Balance as at 1 January 2025	**1,777,777,770**	-	**184,701,083**	**581,365,746**	-	**2,543,844,599**
Net profit for the year	-	-	-	**296,062,285**	-	**296,062,285**
Other comprehensive income for the year	-	-	-	**284,217**	-	**284,217**
Total comprehensive income for the year	-	-	-	**296,346,502**	-	**296,346,502**
Transferred from statutory reserve to retained earnings (note 15)	-	-	**(184,701,083)**	**184,701,083**	-	-
Increase in share capital and additional share capital (Note 14)	**561,530,410**	**842,295,615**	-	-	-	**1,403,826,025**
Dividends (note 29)	-	-	-	**(116,965,409)**	-	**(116,965,409)**
Balance as at 31 December 2025	**2,339,308,180**	**842,295,615**	-	**945,447,922**	-	**4,127,051,717**

Chief Financial Officer
Mr. Mohammed bin Ahmed Al-Kulaib

Member of the Board of Directors
and Chairman of the Audit Committee
Mr.Suleiman bin Nasser Al Hatlan Al-Qahtani

Chief Executive Officer
Mr. Jehad bin Abdulrahman Al-Kadi

Arriyadh Development Company
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
OPERATING ACTIVITIES:			
Net profit for the year		296,062,285	296,196,445
Adjustments:			
Depreciation		42,707,741	44,495,407
Finance costs - Lease liabilities	7	3,032,549	2,514,633
Settled of a provision for prior years	23	(9,095,860)	(26,771,963)
Unrealized gains from investments designated at FVTPL	9	(1,998,167)	-
Murabaha Investment deposits' income	12	(56,905,758)	(57,459,747)
(Reversed) Provided for expected credit loss allowance	10	(2,841,694)	7,908,539
Group's share of profit of Investment in an associate and a joint venture	8	(47,987,128)	(125,859,069)
Gain from sale of property, plant and equipment		(5,718)	-
Gain from sale of investment properties	5	(90,667,381)	(17,187,949)
Settlement of a provision previously provided for prior year for investments designated at FVOCI		-	(13,753)
Gain on buildings received upon lease termination		(12,500,000)	-
Transferred from projects in progress to expense and other adjustment		(782,599)	-
Provision of end of service benefits	16	3,625,516	3,479,775
Provision of Zakat	19	24,534,395	30,203,434
		147,178,181	157,505,752
Changes in working capital:			
Accounts receivable, prepayments and other receivables		24,406,019	15,737,295
Accounts payable, accrued expenses and other payables		(19,021,895)	(50,647,825)
Net change in related parties' balances		32,494,080	(33,764,602)
End of service benefits Paid	16	(491,031)	(1,980,303)
Finance costs paid - Lease liabilities		(3,032,549)	(2,514,633)
Zakat Paid	19	(35,443,951)	(20,392,176)
Net cash flows from operating activities		146,088,854	63,943,508
INVESTING ACTIVITES			
Change in Murabaha investment deposits, net	12	(95,000,000)	(330,000,000)
Murabaha Investment deposits' income	12	20,668,909	55,310,497
Purchase of property, plant and equipment	4	(6,217,377)	(11,354,516)
Proceeds from sale of property, plant and equipment		16,522	-
Proceeds from sale of investment properties		96,548,715	-
Proceeds from liquidation of investments designated at FVOCI		-	986,929
Additions to investment properties under development	6	(21,972,527)	(83,362,838)
Capital contribution in investment in an associate and a joint venture	8	(25,000)	(513,400)
Additional contribution in investment in an associate and a joint venture	8	(49,278,449)	-
Advance payment for subscription to a real estate fund	9	-	(182,481,748)
Carrying value disposed received of investment in an associate and a joint venture		89,778	-
Dividends received from associates	8	26,843,253	348,287,600
Net cash flows used in investing activities		(28,326,176)	(203,127,476)
FINANCING ACTIVITIES			
Dividend paid	29	(115,597,519)	(131,196,883)
Finance provided to related parties	11	(6,599,245)	-
Lease liabilities paid	7	(4,989,861)	(3,685,367)
Net cash flows used in financing activities		(127,186,625)	(134,882,250)
Net decrease in cash and cash equivalents		(9,423,947)	(274,066,218)
Cash and cash equivalents at the beginning of the year	24	40,915,578	314,981,796
Cash and cash equivalents at the end of the year	24	31,491,631	40,915,578
NON-CASH TRANSACTIONS			
Reclassification of advance payments for subscription to a real estate Fund to investments designated at FVTPL		182,481,748	-
Purchase of investment properties against equity shares		1,403,826,025	-
Gain on buildings received upon lease termination		12,500,000	-
Transfer from investment properties under development to investment properties		10,588,624	-
Purchase of investment properties against accrual		2,186,210	-
Accrued dividend		1,367,890	2,136,450
Reclassification from investment properties under development to property, plant and equipment		973,380	-
Transfer from assets held for sale to investment properties		(20,227,954)	-
Loss in investment in an associate and a joint venture		(118,404)	-
Transferred from investment properties, property, plant, equipment, and investments properties under development to investment in an associate and a joint venture		-	(725,308,121)
Transfer from investment properties to assets held for sale		-	(20,227,954)
Additions to associates		-	741,050,519
Additions to right of use assets		-	9,783,538

Chief Financial Officer	Member of the Board of Directors and Chairman of the Audit Committee	Chief Executive Officer
Mr. Mohammed bin Ahmed Al-Kulaib	Mr.Suleiman bin Nasser Al Hatlan Al-Qahtani	Mr. Jehad bin Abdulrahman Al-Kadi

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

1 CORPORATE INFORMATION

Arriyadh Development Company (A Saudi Joint Stock Company) (hereinafter referred to as the "Company" or "Group") was established by Royal Decree No. M/2 dated 9 Safar 1414H (corresponding to 28 July 1993). The Company is registered in the Kingdom of Saudi Arabia under the Unified National No. 7001367601 and under CR No. 1010124500, issued in the city of Riyadh on 29 Thul-Qi'dah 1414H (corresponding to 10 May 1994). The Company is listed on the Saudi Stock Exchange (Tadawul). The Company's Head Office is located in Riyadh, Kingdom of Saudi Arabia and the Address is 6631 King Fahad Branch, Al Dirah District, Riyadh 12634-2411, Saudi Arabia.

The principal activities of the Company are the purchase and sale of lands and real estate, its division, off-plan sales activities, management and leasing of owned or leased out residential and non-residential properties, in addition to real estate development of residential and commercial buildings using modern construction methods, as well as the wholesale and retail sale of new and used private cars, including ambulances, minibuses and four-wheel drive vehicles.

On 3 February 2025, the Company's General Assembly approved amending the Company's By-laws to comply with the new Companies' Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022). The legal procedures for amending the By-laws were completed and published on the Tadawul platform.

The accompanying consolidated financial statements comprise the financial statements of the Company and its following subsidiaries:

		Ownership	
Group Name	*Country of Establishment*	*30 December 2025*	*31 December 2024*
Alrmal logistics park Company (a)	Saudi Arabia	**100%**	-
Hulul Salasil Imdad Almontajat Altazija Company (b)	Saudi Arabia	**100%**	-

a) Alrmal logistics park Company

On 22 September 2025, Al-Rimal Logistics Park Company was established as a limited liability company (one-person company) wholly owned by Arriyadh Development Company with a cash capital of SAR 10,000 divided into (10,000) shares, and approximately 98 thousand square meters of technical services land were transferred to Al-Rimal Logistics Park Company.

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it's fully owned by Arriyadh Development Company.

b) Hulul Salasil Imdad Almontajat Altazija Company

On 5 October 2025, Hulul Salasil Imdad Almontajat Altazija Company was established as a closed joint stock wholly owned by Arriyadh Development Company with a cash capital of SAR 500,000 divided into (500,000) shares.

The principal activities of the Company are the purchase, sale, management, and leasing of land and real estate, as well as the development of residential and commercial buildings using modern construction methods.

The Company's financial results have been consolidated from the date of incorporation. There are no non-controlling interests as it's fully owned by Arriyadh Development Company.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION AND CONSOLIDATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis of preparation
The consolidated financial statements have been prepared on the historical cost convention, except for the investments in equity instruments at fair value, and the recognition of employees' benefit obligations at the present value of future liabilities using the expected credit unit method. The consolidated financial statements are presented in Saudi Riyals ("SAR"), which is the Group's functional currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

Basis of consolidation

Subsidiaries are companies controlled by the Group. Control is achieved when the Group has:

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

In general, there is a presumption that a majority of voting rights result in control. In support of this assumption, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- Arrangement(s) with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired (or disposed) of during the year are included (or derecognized) in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted by the Group in preparing its consolidated financial statements are applied consistently as follows:

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

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

The Group classifies all other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash at banks and other short-term highly liquid investments, if any, with maturities of less than three months from the acquisition date

Assets held for sale
Assets held for sale are recognized and measured in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

An asset is classified as held for sale if it meets the criteria specified in the standard, indicating that it is expected to be sold within one year from the consolidated financial statement's date.

Assets held for sale are recognized at the lower of their carrying amount and fair value less costs to sell at the date of classification as held for sale. The carrying amount of the asset is not depreciated or amortized once it is classified as held for sale.

Measurement
- Carrying amount: The carrying amount of assets held for sale is determined based on their historical cost less any accumulated depreciation and impairment losses, adjusted for any revaluation surplus or deficit, where applicable.
- Fair value less costs to sell: Fair value less costs to sell is determined based on the estimated selling price in an arm's length transaction between knowledgeable, willing parties, less the estimated costs to sell.

Assets held for sale are presented separately in the consolidated financial statements under current assets, with separate disclosure of the nature and size of significant assets held for sale.

Significant judgements and assumptions applied in determining assets held for sale, as well as the nature and volume of assets classified as held for sale, are disclosed in the notes to the consolidated financial statements.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value measurement
The Group measures financial instruments such as investments in equity instruments at FVOCI, and investments at FVTPL at fair value at each 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 to 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 non-financial assets considers the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to other market participants 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within 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) prices in an active market 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 recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investment properties
Investment properties include lands, buildings held by the Group for rental or capital development, or both. Investment properties are initially measured at cost. The fair value is determined on the basis of an annual valuation by an independent external valuer with recognized professional qualifications for the purpose of disclosure in the consolidated financial statements.

Investment properties are stated at cost less accumulated depreciation and impairment, if any. Such cost includes the cost of replacing part of the Investment properties. When significant parts of investment properties are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investments properties as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria related to recognized provision are satisfied.
The depreciation of buildings according to the straight-line method is calculated on the basis of their useful life by adopting the following annual ratios:

- Buildings 1.6٪ – 7٪ or the lease term, whichever is less.

Investment lands include lands wholly owned by the Group (except as mentioned in Note 5) that are carried at cost plus development expenses.

An item of investment properties and any significant part is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss for the year when the asset is derecognized. The residual values, useful lives and methods of depreciation of investments properties are reviewed at each financial period end and adjusted prospectively, if appropriate.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position, unless the right-of-use asset meet the definition of investment property and in such case, it is presented in the consolidated statement of financial position within investment property.

Investment properties under development
Investment properties under development are recognized at cost and are not depreciated. Investment properties under development are represented by the amount incurred on the establishment or purchase of investment properties under development. Upon the completion and as appropriate, it is transferred to investment properties. Investment properties under development are stated at cost and any impairment is reviewed annually (if any).

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Such cost includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria related to recognized provision are satisfied.

Depreciation is calculated on a straight-line basis over the expected useful life of the assets as follows:

▶ Buildings	1.6٪ – 7٪ or the lease term, whichever is less.
▶ Plant and equipment	4 years
▶ Furniture and Decoration	4 years
▶ Motor vehicles	4 years
▶ Computers	4 years

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (continued)
The useful life and depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits of property, plant and equipment.

Projects in Progress
Projects in progress are recognized and are not depreciated. Depreciation of projects in progress begins when the assets are ready for their intended use and have been transferred to property, plant and equipment.

Leases
The Group assesses whether a contract contains a lease, at inception of the contract. For all such lease arrangements the Group recognizes right of use assets and lease liabilities, except for the short-term leases and leases of low value assets as follows:

The Group as A Lessee
At the inception of the contract, the Group determines whether the contract is a lease or involves a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right of use Assets
The Group recognizes 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, adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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 recognized 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.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position, unless the right-of-use asset meet the definition of investment property and in such case, it is presented in the consolidated statement of financial position within investment property.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The 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 paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of commercial buildings, accommodations and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, accommodations and offices that are considered of low value (i.e., less than SAR 20,000). Lease payments on short-term leases and leases of low value assets are recognized as an expense on a straight-line basis over the lease term.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as a lessor
Leases that do not transfer significant risk and benefits associated with asset ownership as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred during the negotiation and arrangement of an operating lease are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Investment in an associate and a joint venture
An associate and joint venture are 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 or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in an associate and a joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate and a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate and a joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the operations result of the associate. Any change in OCI of those investees is presented as a part of the Group's consolidated statement of comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and a joint venture are eliminated to the extent of the Group's share in the associate.

The financial consolidated statements of the associate and a joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those adopted by the Group.

After applying the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate and a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and a joint venture and its carrying value, and then recognizes the loss in 'Group's share of profit of Investment in an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Difference between the carrying amount of the associate and a joint venture upon loss of significant influence and the fair value of the retained investment and proceeds disposal is recognized in the consolidated statement of profit or loss.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

First: Financial Assets
The Group's financial assets include cash at banks, trade receivables and other receivables, Investment in an associate and a joint venture, investments at amortized cost, and amounts due from related parties.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model.

The Group classifies its financial assets within the following categories:

Classification

- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income ("FVTOCI").
- Financial assets at fair value through profit or loss ("FVTPL").

Trade receivables are initially recognized when originated. Trade receivables that do not contain a significant financing component or for which the Group uses the practical expedient are measured at the transaction price determined under IFRS 15. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument at fair value plus or minus, in the case of financial assets not at fair value through profit or loss, transaction costs.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election on initial recognition of certain investments in equity instruments that they will be measured at fair value unless otherwise made through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies financial assets only when its business model for managing those financial assets changes.

Initial Measurement
Except for trade receivables, at initial recognition, an entity shall measure a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Group uses the practical expedient are measured at the transaction price determined under IFRS 15.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

First: financial assets (continued)

Subsequent Measurement

Financial Assets at Amortized Cost
The Group measures financial assets at amortized cost whether the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is included in finance income in profit or loss in the consolidated statement of profit or loss and other comprehensive income. Gains and losses are recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized, modified or impaired.

Financial assets designated at fair value through OCI ("FVOCI") (equity instruments)
Upon initial recognition, the Group can classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains or losses from these financial assets are never recycled to profit or loss in the consolidated statement of profit or loss and other comprehensive income. Dividends are recognized as other income in profit or loss in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss ("FVTPL").
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
  a) The Group has transferred substantially all the risks and rewards of the asset, or
  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

First: financial assets (continued)

Impairment
The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

For trade receivables only, the Group recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Group has made a provision based on the experience of historical credit losses, adjusted to future factors related to debtors and the economic environment.

Evidence that financial assets are impaired may include indications that a debtor (or a group of debtors) is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected credit losses are initially measured at the difference between the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due cases, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost. The Group measures expected credit losses by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Second: Financial Labilities

The Group's financial liabilities include lease liabilities, trade payables, accruals and amounts due to related parties.

Classification
The entity must classify all financial liabilities as being measured –subsequently– at amortized cost, except for the following:

a) Financial liabilities at fair value through profit or loss, and all such liabilities should be subsequently measured at fair value.
b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Initial measurement
Upon initial recognition, an entity shall measure a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Subsequent measurement
After initial recognition, all financial liabilities are measured at amortized cost.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss in the consolidated statement of profit or loss and other comprehensive income.

Offsetting 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 recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

Zakat and Tax
Zakat is provided by the Group in accordance with the Regulations of Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia, and the provision is charged to the consolidated statement of profit or loss and other comprehensive income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalization.

The Company is a VAT payer in accordance with the Saudi tax law. It is also responsible for collecting VAT outputs from customers for qualified services provided and to pay VAT inputs to its suppliers against eligible payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is incurred by the Company and is either expensed or in the case of property, plant, equipment, and intangibles payments, is capitalized and either depreciated or amortized as part of the capital cost.

The Company withholds taxes on certain transactions with non-resident counterparties in the Kingdom of Saudi Arabia as required under ZATCA regulations.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

End of service benefits provision
The obligations recognized in the consolidated statement of financial position in respect of the End of Service Benefits Provision, is the present value of the End of service benefits provision at the end of the reporting period. The End of service benefits provision are calculated annually by independent actuaries using the projected unit credit method.

The net finance cost is calculated by applying the discount rate to the net balance of the End of Service Benefits Provision. This cost is included in employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of profit or loss and other comprehensive income. They are included in retained earnings in the consolidated statement of changes in shareholders’ equity and in the consolidated statement of financial position.

Changes in the present value of the End of Service Benefits Provision resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss and other comprehensive income as past service costs.

Revenue
Revenue is measured based on the amount specified in a contract with a customer and excludes the amount collected on behalf of third parties.

The Group recognizes revenue when it transfers control over a product or service to the customer. The application of the principles in IFRS 15 is carried out in five steps:

Step (1): Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the Group criteria for every contract that must be met.

Step (2): Identify the performance obligations in the contract: A performance obligation is a promise in contract with a customer to transfer goods or render a service to a customer.

Step (3): Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Step (4): Allocate the transaction price to the performance obligations in the contract: For a contract that has more than on performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step (5): Recognize revenue when the Group satisfies a performance obligation.

The Group's revenues are as follows:

a) Operating revenue
Operating revenue arises from the day-to-day activities in the group markets and centers which include the sale of coupons in addition to commissions collected from customers. Operating revenue is recognized at the point of sale or when the services are provided. In limited cases, operating revenue is recognized over time as the services are rendered, where the performance obligation is satisfied over time.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue (continued)

b) Rental revenue
Lease in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as rental revenue. Rental revenue is recognized on a straight-line basis over the lease terms and is included under revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature, except for contingent rental revenue which is recognized when it arises. Initial direct costs incurred in negotiating and entering into an operating lease is recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the management are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognized in the consolidated statement of profit or loss and other comprehensive income when the right to receive them arises.

c) Land sales revenue
Land sales revenue (developed or undeveloped) is recognized at a point in time when the sale is completed and control of the land has been transferred to the buyer, which is generally when the significant risks and rewards of ownership are transferred to the buyer.

d) Real estate development revenue
Real estate development revenue is recognized the revenue over time as the services are provided, since the customer simultaneously receives the benefits of the Group’s performance. Progress toward satisfying the performance obligation is measured using an appropriate method that best depicts the transfer of the service to the customer.

Costs of revenue
Cost of revenue represents costs incurred by the Group that are directly attributable to its revenue generating assets. These include property operating expenses (such as utilities, security, cleaning and maintenance), depreciation of investment properties and related assets, and the cost of land or properties sold.

General and administrative expenses
General and administrative expenses represent the overhead costs incurred by the Group to support its business. These expenses are not directly attributable to specific revenue-generating activities.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, they are probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-Zakat rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Segment information
The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers for the purpose of resource allocation among segments and performance assessment.

Earnings per share (EPS)
Basic and diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the shareholders by the weighted average number of ordinary shares outstanding during the year.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of significant assumptions, estimates and judgments

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of certain significant estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions regarding the future that, by definition, will rarely equal the relevant actual results.

Key estimates and assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

a) Significant assumptions and estimates

Fair value measurements
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 accessible 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 non-financial assets considers 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Allowance for expected credit losses of trade receivables
For accounts receivable, the Group applies a simplified approach in calculating ECLs. Accounts receivable have been grouped in accordance with common credit risk and past due dates. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate. The information about the ECLs on the Group’s trade receivables and contract assets is disclosed in Note 10.

Impairment in non-financial assets
The Group assess the asset on the reporting date whether there is an indication that the asset has impaired. If any such indication exists, then the Group estimates the asset’s recoverable amount. The asset’s recoverable amount is the higher of an asset’s fair value asset less costs to sell and value in use. In assessing value in use, the estimated future cash flows of the asset are discounted to their present value using a discount price that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statement of profit and loss. If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the adjusted value of the recoverable amount, but only to the extent that the carrying amount is no more than the carrying amount that would have been determined in the absence of impairment loss of the asset's carrying amount in previous years. A reversal impairment loss is recognized immediately in consolidated statement of profit and loss.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of significant assumptions, estimates and judgments (continued)

a) Significant assumptions and estimates (continued)

End of service benefits provision
The cost of the End of service benefits provision is determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complex nature of the valuation and underlying assumptions and their long-term nature, the defined benefit obligation is significantly affected by changes in these assumptions, and all assumptions are reviewed at each reporting date.

Useful lives and residual values of property, plant, equipment and investment properties
The useful life of each item of the Group's property, plant, equipment and investment properties is estimated based on the period during which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, experience with similar assets and application of judgment as to when the assets become available for use and the commencement of the depreciation charge.

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other restrictions on the use of the asset. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

Leases - estimating the incremental borrowing Rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The incremental borrowing rate is the rate of interest that a Group would have to pay to borrow over a similar period and with similar security, the financing necessary to obtain assets of similar value to the right-of-use asset in the same economic conditions. The incremental borrowing rate thus reflects the amount a Group might have to pay which requires an estimation when no observable rates are available, or when they need to be modified to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Going concern
These consolidated financial statements have been prepared under the going concern basis. The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Zakat and tax assessments
The provision for Zakat and withholding tax is determined by the Group in accordance with the requirements of Zakat, Tax, and Customs Authority (“ZATCA”) and is subject to change based on the final assessments received from ZATCA. The Group recognizes liabilities related to expected Zakat and withholding tax based on management’s best estimates of whether additional Zakat/taxes will be due. The final outcome of any additional amounts assessed by ZATCA depends on the final result of the appeal process, which the Group is entitled to pursue. If the final tax outcome differs from the amounts initially recorded, these differences may impact the consolidated statement of profit or loss and other comprehensive income in the period in which the final determination is made.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, they are probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-Zakat rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Use of significant assumptions, estimates and judgments (continued)

b) Significant judgments

Property lease classification – the Group as a lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risk and reward of ownership of these properties and accounts for the contracts as operating lease rentals.

Determining the lease term of contracts with renewal and termination options – Group as lessee.
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew lease or termination i. e. all relevant factors are taken into consideration creating an economic inventive to exercise renewal option or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

New Standards, Amendments and Interpretations

New and amended standards and interpretations
Below are the standards and amendments effective on or after 1 January 2025 (unless otherwise stated), with no material effect on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendment to IAS 21: Lack of exchangeability
An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The new standard had no impact on the Group's consolidated financial statements.

New standards and amendments issued but not yet effective
New and amended standards and interpretations that are issued but not yet effective and have not been early adopted by the Group will be applied on their effective date if applicable. The application of these standards and interpretations is not expected to have any material impact on the Group on the date of their effective date.

Name of Standard and Interpretation	*Effectiveness date*
- Amendments to IFRS 9 & IFRS 7: Classification and measurement of financial instruments	1 January 2026
- Volume (11): Annual Improvements to IFRS	1 January 2026
- Amendments to IFRS 9 and IFRS 7: Power Purchase Agreements	1 January 2026
- IFRS 18: Presentation and disclosure in financial statements - IFRS 18 replaces IAS 1 Presentation of Financial Statements	1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date was deferred indefinitely

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Lands on which buildings are constructed	*Buildings*	*Plant and Equipment*	*Computers*	*Furniture and Decoration*	*Motor vehicles*	*Projects in progress*	*Total*
Cost:								
At 1 January 2024	-	-	19,086,678	-	5,263,348	1,546,216	3,586,371	29,482,613
Reclassification (Note 33)	329,379	1,281,308	(6,628,816)	6,394,377	(87,309)	-	-	1,288,939
At 1 January 2024 after reclassification	329,379	1,281,308	12,457,862	6,394,377	5,176,039	1,546,216	3,586,371	30,771,552
Additions	-	68,495	614,133	554,872	1,973,426	419,760	7,792,325	11,423,011
Transferred to an associate company (note 5)	-	-	(3,183,693)	-	-	-	(300,000)	(3,483,693)
Disposals	-	-	-	-	(1,445,551)	-	-	(1,445,551)
Transferred from projects in progress to property, plant and equipment	-	-	4,576,075	3,007,267	-	-	(7,583,342)	-
At 31 December 2024	329,379	1,349,803	14,464,377	9,956,516	5,703,914	1,965,976	3,495,354	37,265,319
Reclassification	-	-	(15,859)	-	6,998	-	-	(8,861)
At 31 Dec 2024 after reclassification	329,379	1,349,803	14,448,518	9,956,516	5,710,912	1,965,976	3,495,354	37,256,458
Additions	-	1,120	-	335,530	24,500	-	5,856,227	6,217,377
Disposals	-	-	(227,797)	-	(2,149,520)	-	-	(2,377,317)
Reclassification from investment properties under development to property, plant and equipment	-	-	-	-	-	-	973,380	973,380
Transferred from projects in progress to expense	-	-	-	-	-	-	(795,800)	(795,800)
Transferred from projects in progress to property, plant and equipment	-	-	4,370,795	354,212	2,181,713	-	(6,906,720)	-
At 31 December 2025	**329,379**	**1,350,923**	**18,591,516**	**10,646,258**	**5,767,605**	**1,965,976**	**2,622,441**	**41,274,098**
Depreciation:								
At 1 January 2024	-	-	10,912,417	-	4,807,760	1,237,440	-	16,957,617
Reclassification (Note 33)	-	551,023	(3,379,739)	3,146,884	(88,893)	-	-	229,275
At 1 January 2024 after reclassification	-	551,023	7,532,678	3,146,884	4,718,867	1,237,440	-	17,186,892
Charge for the year	-	40,600	2,179,551	1,118,721	414,503	177,679	-	3,931,054
Transferred to an associate company (note 5)	-	-	(2,194,320)	-	-	-	-	(2,194,320)
Disposals	-	-	-	-	(1,441,328)	-	-	(1,441,328)
At 31 December 2024	-	591,623	7,517,909	4,265,605	3,692,042	1,415,119	-	17,482,298
Reclassification	-	-	(11,324)	-	2,463	-	-	(8,861)
At 31 Dec 2024 after reclassification	-	591,623	7,506,585	4,265,605	3,694,505	1,415,119	-	17,473,437
Charge for the year	-	43,516	3,507,954	1,868,700	974,476	224,445	-	6,619,091
Disposals	-	-	(217,114)	-	(2,149,399)	-	-	(2,366,513)
At 31 December 2025	**-**	**635,139**	**10,797,425**	**6,134,305**	**2,519,582**	**1,639,564**	**-**	**21,726,015**
Net Book Value:								
At 31 December 2025	**329,379**	**715,784**	**7,794,091**	**4,511,953**	**3,248,023**	**326,412**	**2,622,441**	**19,548,083**
At 31 December 2024	329,379	758,180	6,946,468	5,690,911	2,011,872	550,857	3,495,354	19,783,021

The depreciation of property, plant and equipment was charged as follows:

	2025	*2024*
Cost of Revenue	**3,929,182**	2,824,106
General and administrative expenses	**2,689,909**	1,106,948
	6,619,091	3,931,054

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

5 INVESTMENT PROPERTIES

	Lands	*Lands on which buildings are constructed*	*Land Right-of-use*	*Buildings*	*Total*
Cost:					
1 January 2024	133,192,478	542,524,814	-	1,262,642,254	1,938,359,546
Reclassification (Note 33)	-	(329,379)	66,986,604	(1,281,308)	65,375,917
At 1 January 2024 after reclassification	133,192,478	542,195,435	66,986,604	1,261,360,946	2,003,735,463
Reclassification from Property, plant and equipment to Investment properties	-	-	-	(68,495)	(68,495)
Transferred from projects in progress to investment properties (note 5)	-	-	-	32,977,150	32,977,150
Transferred to associates (*)	-	(353,067,984)	-	(472,234,811)	(825,302,795)
Transferred to assets held for sale	(20,227,954)	-	-	-	(20,227,954)
31 December 2024	112,964,524	189,127,451	66,986,604	822,034,790	1,191,113,369
Reclassification	-	-	-	(1,120)	(1,120)
At 31 Dec 2024 after reclassification	112,964,524	189,127,451	66,986,604	822,033,670	1,191,112,249
Additions (Note 14)	1,403,826,025	-	-	12,500,000	1,416,326,025
Transferred from Assets held for sale (Note 13)	20,227,954	-	-	-	20,227,954
Reclassification	(4,689,103)	4,689,103	-	-	-
Land sales	(5,636,479)	-	-	-	(5,636,479)
Transfer from investment properties under development	9,653,194	-	-	935,430.00	10,588,624
31 December 2025	**1,536,346,115**	**193,816,554**	**66,986,604**	**835,469,100**	**2,632,618,373**
Depreciation and amortization:					
1 January 2024	-	-	-	447,572,784	447,572,784
Reclassification (Note 33)	-	-	21,873,380	(551,023)	21,322,357
At 1 January 2024 after reclassification	-	-	21,873,380	447,021,761	468,895,141
Charge for the year	-	-	4,490,722	35,990,846	40,481,568
Transferred to associates (*)	-	-	-	(171,474,703)	(171,474,703)
31 December 2024	-	-	26,364,102	311,537,904	337,902,006
Charge for the year	-	-	3,983,420	31,139,401	35,122,821
31 December 2025	**-**	**-**	**30,347,522**	**342,677,305**	**373,024,827**
Net book value:					
31 December 2025	**1,536,346,115**	**193,816,554**	**36,639,082**	**492,791,795**	**2,259,593,546**
31 December 2024	112,964,524	189,127,451	40,622,502	510,496,886	853,211,363

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

5 INVESTMENT PROPERTIES (Continued)

As set out in the material accounting policy information, investment properties are presented at cost less accumulated depreciation and impairment, if any. The fair value of the investment properties amounted to SAR 4,136,125,000 as at 31 December 2025 (includes the newly acquired assets (Note 14)) (31 December 2024: SAR 2,522,854,054), based on the valuations performed by a real estate valuer, Esnad and its Partner for Real Estate Appraisal, with license no. 1210000934 (independent valuer accredited by the Saudi Authority for Accredited Valuers).

The fair value measurement in its entirety is classified into level 2 and 3 based on the valuation techniques used in estimating the fair value and related inputs. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

For raw land, the fair value was determined based on the market approach using market evidence of comparable or similar assets. In certain cases, the residual method was used to estimate the land value based on significant market inputs.

For buildings and lands on which buildings are constructed, the fair value was determined based on the income approach or the cost approach, depending on the nature of the asset and the availability of data. Under the income approach, the value is estimated based on market rents for comparable properties, with reference to market averages in estimating operating expenses and the valuer's experience. Under the cost approach, the value is estimated based on appropriate market information relating to assets comparable or similar to the asset being valued.

For right-of-use assets, the fair value was determined as an integral part of the valuation of the related investment property constructed on the right-of-use asset, using appropriate valuation techniques and relevant inputs. The discounted cash flow method was applied as part of this overall valuation approach.

(*) The Group entered into an agreement with Dira Development Company for Real Estate Development and Investment on 1 December 2024, for the transfer of Ta'meer market properties. Under the terms and conditions of this agreement, a land with a carrying amount at SAR 353,067,984, buildings with a carrying amount at SAR 300,760,108, investment properties under development with a carrying amount at SAR 18,060,363, property, plant and equipment with a carrying value at SAR 989,373, and property, plant and equipment in progress with a carrying amount at SAR 300,000 (Note 4) were transferred to Dira Development Company for Real Estate Development and Investment in exchange for the issuance of shares amounting to SAR 705,209,071. The realized gains from the asset transfer amounted to SAR 17,187,949, and the excluded gains amounted to SAR 14,843,264 (Note 8).

Investment properties include buildings constructed on land leased from the Riyadh Municipality (Otiqa Market) under a 23-year lease starting from 30 March 2011, which will be transferred to the Municipality at the end of the lease. The net book value of the buildings at 31 December 2025 was SAR 142.5 million (31 December 2024: SAR 160 million).

The investment properties include lands totaling an amount of SAR 28,872,546 not yet registered in the name of the Company as it was expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al Awal 1412H. However, the previous owners of the lands have not submitted their claims and have not transferred the land ownership to the Company until 31 December 2025 (Note 17).

All investment properties are located in the Kingdom of Saudi Arabia.

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	31 December 2025	*31 December 2024*
Balance at the beginning of the year	**1,501,380**	19,888,240
Additions	**24,158,737**	83,362,838
Reclassification to Property, plant and equipment - Projects in progress (Note 4)	**(973,380)**	-
Transferred to an associate - Abraj Al-Tilal Real Estate Development Company (*)	**-**	(50,712,185)
Transferred to an associate – Dira Development Company for Real Estate Development and Investment (Note 5)	**-**	(18,060,363)
Transferred to investment properties (Note 5)	**(10,588,624)**	(32,977,150)
Balance at the end of the year	**14,098,113**	1,501,380

(*) The Company concluded an agreement with Riyadh Holding Company and the Saudi Real Estate Company during 2024 to build educational complexes (Misk Schools Project), pursuant to which investment properties under development were transferred at a value of SAR 50,712,185.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

7 RIGHT-OF-USE ASSETS AND LEASE LIABILITES

In December 2024, the Group entered into a lease agreement for its Head Quarter with Dira Development Company for Real Estate Development and Investment. The lease term is 10 years, starting from 1 December 2024, with a total value of SAR 13,060,605.

The carrying amounts and movements of right-of-use assets during the year (other than those included in investment properties) are as follows:

	31 December 2025	*31 December 2024*
Balance at the beginning of the year	**9,700,753**	45,113,224
Reclassification (Note 33)	**-**	(45,113,224)
Opening after reclassification	**9,700,753**	-
Adjustment	**(122,951)**	-
Additions (Note 11 -1)	**-**	9,783,538
Depreciation for the year	**(965,829)**	(82,785)
Balance at the end of the year	**8,611,973**	9,700,753

The carrying amounts and movement of lease liabilities during the year are as follows:

	31 December 2025	*31 December 2024*
Balance at the beginning of the year	**54,184,707**	48,086,536
Additions (Note 11-1)	**-**	9,783,538
Adjustment	**483,740**	-
Paid during the year	**(8,022,410)**	(6,200,000)
Finance costs - lease liabilities	**3,032,549**	2,514,633
Balance at the end of the year	**49,678,586**	54,184,707

Lease liabilities as at 31 December are classified as follows:

	31 December 2025	*31 December 2024*
Non-current lease liabilities	**42,114,635**	46,390,001
Current lease liabilities	**7,563,951**	7,794,706
Total lease liabilities	**49,678,586**	54,184,707

The following are the amounts recognized in the consolidated statement of profit or loss and other comprehensive income:

	31 December 2025	*31 December 2024*
Finance costs - lease liabilities	**3,032,549**	2,514,633
Depreciation of right-of-use assets (other than those included in investment properties)	**965,829**	82,785
	3,998,378	2,597,418

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE

The summarized details of investments in an associate and a joint venture companies are as follows:

		% of Ownership		*Balance*	
Company's name	*Nature of Relationship*	***31 December 2025***	*31 December 2024*	***31 December 2025***	*31 December 2024*
Dira Development Company for Real Estate Development and Investment (a)	Associate company	**46.34%**	46.34%	**705,367,129**	692,634,122
Abraj Al-Tilal Real Estate Development Company (b)	Associate company	**50%**	50%	**121,508,686**	50,734,712
Abraj Al-Ghadir Real Estate Development Company (c)	Joint venture	**50%**	-	**-**	-
Tanal Investment and Real Estate Development Company (d)	Associate company	**-**	69.38%	**-**	13,031,031
Balance at the end of the year				**826,875,815**	756,399,865

a) Dira Development Company for Real Estate Development and Investment:

In 2024, the Company reached an agreement with Riyadh Holding Company to establish a joint venture (Dira Development Company for Real Estate Development and Investment) ("Dira") – a simplified/closed joint-stock company with a cash capital of SAR 1,000,000, with 46.34% ownership for Arriyadh Development Company and 53.66% ownership for Riyadh Holding Company. Additionally, in-kind contributions were made by Arriyadh Development Company in Ta'meer market properties, with total value at SAR 705,209,071, while Riyadh Holding Company contributed in Al-Muqayliah Market and Dira Markets, with total value at SAR 816,605,929 in exchange of new shares issuance through a capital increase for each partner in accordance with their respective share in Dira Development Company for Real Estate Development and Investment. This was done in accordance with the asset transfer agreement signed on 1 December 2024.

b) Abraj Al-Tilal Real Estate Development Company:

In 2024, the Group reached an agreement with Riyadh Holding Company and the Saudi Real Estate Company to incorporate Abraj Al-Tilal Real Estate Development Company ("Abraj Al-Tilal") (A Limited Liability Company) with a capital of SAR 100,000, where Arriyadh Development Company's shareholding was by 50%, Riyadh Holding Company's shareholding by 25%, and the Saudi Real Estate Company's shareholding by 25%. This shareholding structure is in line with their respective shares in the shared property, which includes Educational Plot No. 751 of Scheme No. 3175 (with an area of 10,875.24 m²) and Educational Plot No. 752 of Scheme No. 3175 (with an area of 10,296.33 m²) located in Al-Malqa district in Riyadh. The construction of the educational complexes (a boys' complex and a girls' complex) has begun, and a lease agreement has been signed for these complexes with the Mohammed bin Salman Foundation (Misk Foundation) for a period of 25 years, starting from the academic year 2025/2026, as per the agreement signed with Misk Foundation by Arriyadh Development Company.

During 2025, the partners of Abraj Al-Tilal Real Estate Development Company decided to consider all amounts injected by the partners to finance schools and educational complexes as additional contribution, each according to their share of the capital. The share of Arriyadh Development Company in the additional capital as at 31 December 2025, is SAR 121.5 million (31 December 2024: SAR 51.8 million).

c) Abraj Al-Ghadir Real Estate Development Company

During 2024, the Group agreed with FTG Development Limited Company to establish Abraj Al-Ghadir Real Estate Development Company (a limited liability company) with a capital of SAR 50,000, 50% owned by Arriyadh Development Company and 50% owned by FTG Development Limited Company. The purpose is to cooperate and work together to develop, implement, and manage joint ventures between the parties.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)

The summarized details of investments in an associate and a joint venture companies are as follows: (Continued)

d) Tanal Investment and Real Estate Development Company:

During 2019, the Group, agreed with Sumou Holding Company, to incorporate Tanal Real Estate Investment and Development Company ("Tanal") (a Limited Liability Company) with a capital of SAR 100,000 with shareholding 69.38% for Arriyadh Development Company and 30.62% for Sumou Holding Company - which is the same proportions of ownership of companies in the First Riyad Al-Tameer Real Estate Fund - for the purpose of transferring the assets and liabilities of the First Riyad Al-Tameer Real Estate Fund, which was closed and its assets were transferred in 2019 to Tanal and its subsidiary (Ruba Real Estate Building Company), which is 100% owned.

During 2025, the Group's Board of Directors decided to exit Tanal as a result of the sale of all the plots of the master plan by the end of the year 2024. An assignment agreement was signed to transfer the group's share to Sumou Holding Company on 30 Shawwal 1446H (corresponding to 28 April 2025). According to the agreement, the Group obtained its share in the capital of Tanal amounting to SAR 69,380, in addition to its share in the statutory reserve amounting to SAR 20,814, according to the financial statements of Tanal for the year ended 31 December 2024.

The movement of Investment in an associate and a joint venture and a joint venture is as follows:

	31 December 2025	*31 December 2024*
At the beginning of the year	**756,399,865**	237,264,477
Share of profits	**51,515,398**	125,859,069
Investments made during the year	**49,303,449**	741,563,919
Carrying value of disposed investment in Tanal	**(89,778)**	-
Elimination of unrealized gains	**(3,409,866)**	-
Dividend received	**(26,843,253)**	(348,287,600)
At the end of the year	**826,875,815**	756,399,865

The following is the Statement of Financial Position of the associates and joint venture:

As at 31 December 2025

	Dira Development Company for Real Estate Development and Investment	*Abraj Al-Tilal Real Estate Development Company*	*Abraj Al-Ghadir Real Estate Development Company*	*Tanal Investment and Real Estate Development Company*	*Total*
Current assets	75,127,765	33,477,355	205,300	-	**108,810,420**
Non-current assets	1,529,549,585	226,242,345	5,930,149	-	**1,761,722,079**
Current liabilities	(41,098,432)	(9,882,597)	(6,372,257)	-	**(57,353,286)**
Non-current liabilities	(9,391,621)	-	-	-	**(9,391,621)**
Equity	1,554,187,297	249,837,103	(236,808)	-	**1,803,787,592**
Group's share in equity %	46.34%	50%	50%	-	**-**
Group's share in equity	720,210,393	124,918,552	-	-	**845,128,945**
Elimination of unrealized gains	(14,843,264)	(3,409,866)	-	-	**(18,253,130)**
The carrying amount of the Investment	**705,367,129**	**121,508,686**	**-**	**-**	**826,875,815**

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)

The following is the Statement of Financial Position of the associates and joint venture: (Continued)

As at 31 December 2024

	Dira Development Company for Real Estate Development and Investment	Abraj Al-Tilal Real Estate Development Company	Abraj Al-Ghadir Real Estate Development Company	Tanal Investment and Real Estate Development Company	Total
Current assets	49,211,612	44,941,229	-	20,868,597	115,021,438
Non-current assets	1,520,219,233	107,039,425	-	-	1,627,258,658
Current liabilities	(33,720,679)	(50,511,229)	-	(2,086,483)	(86,318,391)
Non-current liabilities	(9,000,226)	-	-	-	(9,000,226)
Equity	1,526,709,940	101,469,425	-	18,782,114	1,646,961,479
Group's share in equity %	46.34%	50%	-	69.38%	-
Group's share in equity	707,477,386	50,734,712	-	13,031,031	771,243,129
Elimination of unrealized gains	(14,843,264)	-	-	-	(14,843,264)
The carrying amount of the Investment	692,634,122	50,734,712	-	13,031,031	756,399,865

The following is the statement of profit or loss and other comprehensive income of the associates:

As at 31 December 2025

	Dira Development Company for Real Estate Development and Investment	Abraj Al-Tilal Real Estate Development Company	Abraj Al-Ghadir Real Estate Development Company	Tanal Investment and Real Estate Development Company	Total
Revenue	138,044,701	50,500,585	-	-	**188,545,286**
Net profit	57,477,357	49,810,781	(286,808)	-	**107,001,330**
Group's % share in net profit	46.34%	50%	50%	-	**-**
Group's share in net profit before elimination	26,635,007	24,905,391	(143,404)	-	**51,396,994**
Elimination of unrealized gains	-	(3,409,866)	-	-	**(3,409,866)**
Group's share in net profit	**26,635,007**	**21,495,525**	**(143,404)**	**-**	**47,987,128**

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

8 INVESTMENT IN AN ASSOCIATE AND A JOINT VENTURE (Continued)

As at 31 December 2024

	Dira Development Company for Real Estate Development and Investment	Abraj Al-Tilal Real Estate Development Company	Abraj Al-Ghadir Real Estate Development Company	Tanal Investment and Real Estate Development Company	Total
Revenue	10,952,205	-	-	414,580,280	425,532,485
Net profit	3,894,940	-	-	178,803,912	182,698,852
Group's % share in net profit	46.34%	50%	-	69.38%	-
Group's share in net profit	1,804,915	-	-	124,054,154	125,859,069

9 INVESTMENT DESIGNATED AT FVTPL

The Group decided to participate in the "Riyadh Real Estate Development ANB Capital Fund" (the "Fund"), which is a private closed real estate investment Fund compliant with Islamic Sharia principles. The Fund was incorporated in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulation and applicable laws, and its management is entrusted to ANB Capital. The objectives of the Fund are to invest in three raw plots of lands located in Al-Rimal and Al-Qadisiyah districts in Riyadh. This will be done through the development of infrastructure for these lands, subdividing them into residential and commercial plots, and then selling them as developed land. The Fund's term is four years, with extension possibility for two additional periods, each lasting one calendar year.

The Group entered into an agreement on 10 October 2024 to manage the development of the Fund's infrastructure. This agreement was terminated on 9 February 2026, and the Group continues to own its share in the Fund.

During December 2024, the Group paid its share in the Fund, amounting to 8.7%, through a cash contribution of SAR 182,481,748. On 9 January 2025, the Fund's operations commenced after the specified offering amount both (in-kind and cash) was completed.

During 2025, the Group classified this investment as a financial instrument at FVTPL upon initial recognition, in accordance with IFRS (9), as management believed that this classification better reflects the investment strategy and leads to the provision of more relevant information to users.

The movement in investments at fair value through profit or loss is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	**-**	-
Transferred from advance payments for subscription to a real estate Fund	**182,481,748**	-
Unrealized gains from investment revaluation	**1,998,167**	-
At the end of the year	**184,479,915**	-

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

10 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLE

	31 December 2025	*31 December 2024*
Accounts receivable	**67,344,014**	88,114,015
Less: Provision for expected credit loss*	**(47,390,710)**	(52,197,860)
Net accounts receivable	**19,953,304**	35,916,155
Accrued revenue on Murabaha investment deposits	**38,386,099**	2,149,250
Prepaid expenses	**1,147,874**	2,605,214
Employees' advances	**927,691**	1,519,631
Advances to suppliers and contractors	**682,480**	802,594
Others	**335,193**	3,767,273
	61,432,641	46,760,117

* The movement of the provision for expected credit loss during the year was as follows:

	31 December 2025	*31 December 2024*
Balance at the beginning of the year	**52,197,860**	48,376,304
(Reversed) Provided for expected credit loss provision (note 22)	**(2,841,694)**	7,908,539
Debt write off during the year	**(1,965,456)**	(4,086,983)
Balance at the end of the year	**47,390,710**	52,197,860

The following is an analysis of the aging of receivables and the provision for expected credit losses as at 31 December:

	Total	*1- 90 Days*	*91- 180 Days*	*181- 270 Days*	*271- 365 Days*	*More than one year*
Accounts Receivable:						
2025	**67,344,014**	**17,552,510**	**3,559,589**	**1,037,039**	**1,385,912**	**43,808,964**
2024	88,114,015	22,718,689	10,540,524	4,749,801	5,089,061	45,015,940
Provision for expected credit losses						
2025	**47,390,710**	**727,990**	**1,046,427**	**540,801**	**1,266,528**	**43,808,964**
2024	52,197,860	1,196,431	1,679,945	1,106,903	3,198,641	45,015,940

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

11 RELATED PARTIES TRANSACTIONS AND BALANCES

Related party transactions and balances include transactions with associates, joint venture, members of the Board of Directors (and its sub-committees), and the Group's senior management personnel. Senior management employees are those who have authority and responsibility in planning, directing, and controlling the activities of the Group, either directly or indirectly, including the directors in accordance with the terms and conditions approved by the Board.

11.1 RELATED PARTY TRANSACTIONS:

During the normal course of its business, the Company had the following significant transactions with major related parties during the year ended 31 December 2025 and 2024, as follows:

Description	*Nature of Relationship*	*Nature of transaction*	*31 December 2025*	*31 December 2024*
Tanal Investment and Real Estate Development Company	Associate company	Dividends	12,941,253	348,287,600
Tanal Investment and Real Estate Development Company	Associate company	Carrying value of disposed investment in Tanal	89,778	-
Dira Development Company for Real Estate Development and Investment	Associate company	Settlement of balances collected from associate customers	13,132,619	-
Dira Development Company for Real Estate Development and Investment	Associate company	Dividends	13,902,000	-
Dira Development Company for Real Estate Development and Investment	Associate company	Collection on behalf	4,876,453	-
Dira Development Company for Real Estate Development and Investment	Associate company	Expenses paid on behalf	67,554	-
Dira Development Company for Real Estate Development and Investment	Associate company	Lease payment and finance cost related to Right of use assets	(1,822,410)	-
Dira Development Company for Real Estate Development and Investment	Associate company	the carrying value of the right of use lease in the associate	-	9,783,538
Dira Development Company for Real Estate Development and Investment	Associate company	Capital deposit	-	463,400
Dira Development Company for Real Estate Development and Investment	Associate company	Contribution with Ta'meer Market		673,177,858
Abraj Al-Tilal Real Estate Development Company	Associate company	Additional capital contribution	49,278,449	
Abraj Al-Tilal Real Estate Development Company	Associate company	Settlement of amounts due to the associate company	50,398,610	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Finance provided to associate	4,799,245	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Expenses paid on behalf	8,310,288	-
Abraj Al-Tilal Real Estate Development Company	Associate company	Transfer of Investment properties under development	-	50,684,712
Abraj Al-Tilal Real Estate Development Company	Associate company	Capital deposit	-	50,000
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Finance provided to joint venture	1,800,000	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Expenses paid on behalf	1,270,522	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Capital deposit	25,000	-
Abraj Al-Ghadir Real Estate Development Company	Joint venture	Recognizing the share of loss in the joint venture	(118,404)	-
Board of directors (Note 22)	Board of directors' members	Allowances and compensation	3,181,000	3,178,000
Senior management personnel	Key Management Personnel	Short-term benefits	22,976,934	19,719,546
Senior management personnel	Key Management Personnel	End of service benefit	684,274	623,848

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

11 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

11.2 RELATED PARTIES' BALANCES

Due from related parties:

	Nature of Relationship	31 December 2025	31 December 2024
Abraj Al-Tilal Real Estate Development Company	Associate company	**4,799,245**	46,299,775
Abraj Al-Ghadir Real Estate Development Company	Joint venture	**2,952,118**	-
		7,751,363	46,299,775

Due to related parties:

	Nature of Relationship	31 December 2025	31 December 2024
Dira Development Company for Real Estate Development and Investment	Associate company	**-**	8,323,719
Abraj Al-Tilal Real Estate Development Company	Associate company	**-**	4,211,454
		-	12,535,173

12 MURABAHA INVESTMENT DEPOSITS

As of 31 December 2025, total Murabaha investment deposits amounted to SAR 1.025 billion (31 December 2024: SAR 930 million) with maturities ranging from three months to one year, which were placed with a number of local financial institutions. The Murabaha agreements' rates ranged from 5% to 6.1% during the year.

Investment Murabaha deposits as of 31 December are classified as follows:

	31 December 2025	31 December 2024
Murabaha investment deposits- Short-term	**1,025,000,000**	300,000,000
Murabaha investment deposits - Long-term	**-**	630,000,000
	1,025,000,000	930,000,000

13 ASSETS HELD FOR SALE

The following is the assets held as of 31 December:

	31 December 2025	31 December 2024
Telal Arriyadh lands (a)	**2,002,840**	2,247,695
Technical services land (b)	**-**	20,227,954
	2,002,840	22,475,649

a) On 26 October 2023, the Board of Directors of the Group issued a resolution in which a decision was taken to sell its share in Telal Arriyadh plots land with total area of 4,861 m², and during 2025, the group signed a contract to sell "Telal Arriyadh lands", where payment terms were agreed upon. On 6 January 2026, the group received the first payment representing 10% of the value of the land. The group is scheduled to receive the remaining 90% of the value of the land in the coming period.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

13 ASSETS HELD FOR SALE (continued)

b) During 2025, the Group reassessed the classification of certain plots of land that were previously classified as assets held for sale. Although the Board of Directors had previously approved the in-kind contribution of these lands to a company in partnership with Afaq Modern Holding Company, however, the Board subsequently issued a resolution to contribute these lands to Al Rimal Logistics Park Company (a wholly owned subsidiary of the Group), in line with the Group's strategic direction. Accordingly, these lands were transferred to Al Rimal Logistics Park Company (Note 1). At the consolidated financial statements level, the transfer of assets to a wholly owned subsidiary does not constitute a disposal or sale and does not result in the assets leaving the scope of the Group. As a result, these lands no longer met the criteria to be classified as assets held for sale and were therefore reclassified from assets held for sale to investment properties.

14 SHARE CAPITAL AND ADDITIONAL SHARE CAPITAL

As at 31 December 2024, the authorized, issued and fully paid share capital amounted to SAR 1,777,777,770, divided into 177,777,777 shares, each valued at SAR 10. On 3 February 2025, the Group's Extraordinary General Assembly approved increasing the Company's capital to SAR 2,339,308,180 through the issuance of 56,153,041 new ordinary shares, with a total nominal value of SAR 561,530,410, and additional capital amounting to SAR 842,295,615. This was in exchange for the acquisition of two real estate assets owned by Remat Al-Riyadh Development Company for a total value of SAR 1,403,826,025, bringing the total number of new shares to (233,930,818 shares), with a nominal value of SAR 10 each. During February 2025, ownership of the purchased properties was transferred to the Company, and shares were issued to Remat Al-Riyadh Development Company.

15 STATUTORY RESERVE

On 3 February 2025, the Company's General Assembly approved an amendment to the Company's by-laws to align with the new Companies' Law issued on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022), which no longer requires the formation of a statutory reserve. The Board of Directors also recommended on 25 February 2025, transferring the balance of the statutory reserve amounting to SAR 184,701,083 as shown in the consolidated financial statements for the year ended 31 December 2024 to retained earnings. On 8 May 2025, the General Assembly approved transferring the balance of the statutory reserve as at 31 December 2024 to retained earnings.

16 END OF SERVICE BENEFITS PROVISION

The Group grants end-of-service benefits to its employees after taking into account the applicable labor law in the Kingdom of Saudi Arabia. These benefits are an unfunded defined benefit plan.

The benefits provided by these pension plans are based primarily on years of service and employee compensation. The plan funding is in line with local requirements. The obligations are subject to demographic, legal and economic risks. Economic risks are primarily attributable to unexpected developments in the commodities, capital markets and changes in the discount rate used to calculate employees' defined benefit obligations.

Key actuarial assumptions:

	31 December 2025	31 December 2024
Financial assumptions:		
Discount rate	**4.8%**	4.8%
Salary growth rate	**3%**	3%
Demographic assumptions:		
Normal retirement age	60 Years	60 Years
Mortality rate	WHO-SA Age table	WHO-SA Age table

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

16 END OF SERVICE BENEFITS PROVISION (Continued)

Below is a quantitative sensitivity analysis of significant assumptions regarding employee end-of-service benefit obligations:

	Salary growth rate:		Discount rate	
Assumptions	*1% increase*	*1% decrease*	*1% increase*	*1% decrease*
31 December 2025	**17,434,550**	**(16,000,008)**	**(16,013,848)**	**17,433,829**
31 December 2024	14,389,922	(13,423,944)	(13,436,280)	14,386,066

The following is movement in the present value of end of service benefits provision:

	31 December 2025	31 December 2024
Balance at the beginning of the year	**13,754,456**	12,404,275
Finance cost	**641,444**	599,866
Current service cost	**2,984,072**	2,879,909
End of service benefit expense recognized in profit or loss	**3,625,516**	3,479,775
Actuarial changes arising from experience adjustments	**(771,700)**	-
Actuarial changes arising from changes in financial assumptions	**487,483**	(149,291)
Amount of actuarial loss / (gain) included in other comprehensive income	**(284,217)**	(149,291)
Paid	**(491,031)**	(1,980,303)
Balance at the end of the year	**16,604,724**	13,754,456

Weighted Average Duration of Liabilities 7 Years (31 Dec 2024: 7 years).

17 ACCOUNT PAYBLE, ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2025	31 December 2024
Advance revenue (Note 20)	**37,408,982**	42,020,112
Payable from expropriated real estate (a)	**28,872,546**	28,872,546
Employees' accrued wages and other benefits	**23,019,920**	25,139,357
Insurance for others	**18,166,518**	15,569,046
Provisions (b)	**14,142,172**	14,142,172
Accrued expenses	**10,395,881**	17,337,165
Board of Directors members allowances and compensation	**3,453,000**	3,366,000
Securing reservation of rental units	**3,378,587**	2,073,827
Accruals for Car Auction	**2,181,601**	9,941,741
Litigation provision	**-**	9,912,134
Others	**3,052,039**	3,814,901
	144,071,246	172,189,001

a) The amount represents the payable amounts to the previous owners of the properties that were expropriated in favor of the Group under Royal Decree No. 4 / B / 2732 dated 8 Rabi Al-Awal 1412 H who have not yet claimed their dues until 31 December 2025.

b) The amount of the provisions represents commitments for construction works for the implementation of a canal for draining flood and rain in Al-Shorouk lands in Al-Remal district, according to the request of the regulatory authorities in the region.

18 ACCRUED DIVIDENDS PAYABLE

The balance represents dividends approved by the Company's ordinary general assembly in prior years, that remained unclaimed by shareholders as at 31 December 2025 amounting to SAR 77,755,572 (31 December 2024: SAR 76,387,682).

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

19 ZAKAT PROVISION

Assessment status

The group has submitted Zakat declarations and received the final Zakat assessment until 2024.

Movement in Zakat provision

	31 December 2025	31 December 2024
Balance at the beginning of the year	**36,633,631**	26,880,429
Addition	**24,534,395**	29,122,212
Additional provision for the years (2018-2023)	**-**	1,081,222
Balance with ZATCA from the liquidation procedures of the Saudi Heritage Hospitality Company ("Nuzul")	**-**	(58,056)
Paid	**(35,443,951)**	(20,392,176)
Balance at the end of the year	**25,724,075**	36,633,631

Zakat base

Zakat provision is calculated based on the following:

	31 December 2025	31 December 2024
Shareholders' equity	**3,831,232,685**	2,249,780,437
Closing / opening provisions	**125,146,282**	115,207,299
Other additions	**58,719,359**	106,076,714
The book value of the adjusted long-term assets	**(42,258,169)**	(884,196,517)
Investments	**(3,270,949,276)**	(756,399,864)
Adjusted net profit for the year	**296,062,285**	296,227,338
Zakat base	**997,953,166**	1,126,695,407
Zakat for the year	**25,724,075**	29,122,212

20 REVENUE

	2025	2024
Rental revenue	**168,230,828**	203,784,592
Operating revenue	**114,547,716**	112,062,876
Sale of lands revenue	**96,548,715**	-
Real estate development revenue	**4,830,000**	5,670,000
	384,157,259	321,517,468

Timing of revenue recognition:

	2025	2024
Recognized over time	**197,342,773**	232,774,811
Recognized at point in time	**186,814,486**	88,742,657
	384,157,259	321,517,468

All of the Group's revenues were generated within the Kingdom of Saudi Arabia.

The total accounts receivable related to rental revenue with customers amounted to SAR 67,344,014 as at 31 December 2025 (2024: SAR 88,114,015). The Group expects to collect this balance within the next 12 months. (Note 10)

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

20 REVENUE (Continued)

The total advance revenue related to renal contracts with customers, for which the performance obligations have not been satisfied (in whole or in part), amounted to SAR 37,408,982 as at 31 December 2025 (2024: SAR 42,020,112). The Group expects to recognize this balance as revenue within the next 12 months. During 2025, the Group recognized the full advance revenue balance from the prior year. (Note 17)

21 COSTS OF REVENUE

	2025	2024
Depreciation expenses	**39,536,786**	43,346,273
Employees' salaries, wages and other benefits	**34,270,916**	26,642,870
Maintenance expenses	**12,491,739**	14,017,759
Cleaning expenses	**10,928,765**	12,064,877
Security and safety expenses	**8,155,022**	9,743,437
Land selling costs	**5,881,335**	-
Utilities expenses	**4,469,756**	4,878,600
Marketing expenses	**1,021,447**	3,645,868
Franchise expenses	**500,000**	2,497,172
Other expenses	**1,268,485**	4,726,688
	118,524,251	121,563,544

22 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Employees' salaries, wages and other benefits	**47,941,675**	46,806,096
Professional and consultation fees	**14,214,149**	21,933,943
Depreciation expenses	**3,628,635**	1,149,134
Maintenance and operation	**3,263,341**	2,236,789
Board of Directors members allowances and compensation (Note 11)	**3,181,000**	3,178,000
Litigation expense provision	**454,000**	14,679,353
(Reversal) / provided for expected credit losses (Note 10)	**(2,841,694)**	7,908,539
Others	**4,970,296**	1,849,485
	74,811,402	99,741,339

23 OTHER INCOME

	2025	2024
Gain on buildings received upon lease termination	**12,500,000**	-
Settlement of a provision previously provided in previous years	**9,095,860**	26,771,963
Non-refundable customer deposit from land sale	**3,577,989**	-
Others	**742,721**	1,423,199
	25,916,570	28,195,162

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

	2025	2024
Cash at banks	**31,491,631**	40,915,578
	31,491,631	40,915,578

Credit risk on cash at banks is limited, as the cash is held with banks with good credit ratings.

Arriyadh Development Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

25 SEGMENT INFORMATION

The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers for the purpose of resource allocation among segments and performance assessment.
The assets, liabilities and operating activities of the segments include items that are directly related to a specific segment and items that can be allocated to the different segments on a reasonable basis. Items that cannot be allocated between the segments are classified under common assets and liabilities; The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the consolidated Financial Statements.

The following summary of segmental financial information according to the nature of the activity:

	Commercial centers segment	Public benefit segment	Lands sales, contributions and property development fees segment	Common assets and liabilities segment	Total
31 December 2025:					
Total assets	**668,531,321**	**100,597,401**	**1,506,464,966**	**2,165,292,232**	**4,440,885,920**
Total liabilities	**87,842,825**	**25,507,029**	**14,142,172**	**186,342,177**	**313,834,203**
31 December 2024:					
Total assets	682,121,169	113,727,438	112,964,523	2,000,716,119	2,909,529,249
Total liabilities	102,908,888	28,422,438	14,142,172	220,211,152	365,684,650

	Commercial centers segment	Public benefit segment	Lands sales, contributions and property development fees segment	Common assets and liabilities segment	Total
31 December 2025:					
Revenue	**123,462,798**	**159,315,746**	**101,378,715**	**-**	**384,157,259**
Costs of revenue	**(80,633,975)**	**(27,251,363)**	**(10,638,913)**	**-**	**(118,524,251)**
General and administrative expenses	**-**	**-**	**-**	**(74,811,402)**	**(74,811,402)**
Finance costs – Lease liabilities	**(2,400,792)**	**-**	**-**	**(631,757)**	**(3,032,549)**
Murabaha Investment deposits' income	**-**	**-**	**-**	**56,905,758**	**56,905,758**
Group's share of profit of Investment in an associate and a joint venture	**-**	**-**	**-**	**47,987,128**	**47,987,128**
Unrealized gains from investments designated at FVTPL	**-**	**-**	**-**	**1,998,167**	**1,998,167**
Other income	**-**	**-**	**-**	**25,916,570**	**25,916,570**
Net profit for the year before Zakat	**40,428,031**	**132,064,383**	**90,739,802**	**57,364,464**	**320,596,680**
Zakat	**-**	**-**	**-**	**(24,534,395)**	**(24,534,395)**
Net profit for the year	**40,428,031**	**132,064,383**	**90,739,802**	**32,830,069**	**296,062,285**
31 December 2024:					
Revenue	164,069,882	151,777,586	5,670,000	-	321,517,468
Costs of revenue	(93,075,148)	(28,488,396)	-	-	(121,563,544)
General and administrative expenses	-	-	-	(99,741,339)	(99,741,339)
Finance costs – Lease liabilities	(2,511,481)	-	-	(3,152)	(2,514,633)
Murabaha Investment deposits' income	-	-	-	57,459,747	57,459,747
Group's share of profit of Investment in an associate and a joint venture	-	-	-	125,859,069	125,859,069
Gain from sale of Investment properties	-	-	-	17,187,949	17,187,949
Other income	-	-	-	28,195,162	28,195,162
Net profit for the year before Zakat	68,483,253	123,289,190	5,670,000	128,957,436	326,399,879
Zakat	-	-	-	(30,203,434)	(30,203,434)
Net profit for the year	68,483,253	123,289,190	5,670,000	98,754,002	296,196,445

The commercial centers segment represents the public transportation center, Ta'meer International Car Auction, Otiqa market, Riyadh market, the office tower, and the leased land of Al-Aziziyah. The public benefit segment represents the wholesale vegetables and fruits market. The Lands sales, contributions and property development segment represent the sale of developed plots and the real estate development fees. The common assets and liabilities segments represent all items that do not fall under any of the specific segments.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

26 FAIR VALUE MEASUREMENT

The fair value of Investments designated at FVTPL is obtained through net asset value reports received from fund managers, who use various techniques to evaluate the underlying financial instruments classified under Level 3 of the fair value hierarchy of the funds. The group has investments in the "Riyadh Real Estate Development ANB Capital Fund" with a book value of 184,479,915 Saudi Riyals. Significant unobservable inputs are an integral part of the models used by the fund manager. The valuation approach used is the income approach, and the key unobservable inputs include an inflation rate of 2.7% and a discount rate of 13%.

Below is a reconciliation of the balances of Investments designated at FVTPL that fall within Level 3 of the fair value hierarchy as of:

	31 December 2025	*31 December 2024*
At the beginning of the year	**-**	-
Transferred from advance payments for subscription to a real estate Fund	**182,481,748**	-
Unrealized gains from Investments designated at FVTPL	**1,998,167**	-
At the end of the year	**184,479,915**	-

27 RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial liabilities consist of lease liabilities, trade payables, accruals, amounts due to related parties, accrued dividends payable and other liabilities. The Group's principal financial assets include trade and other receivables, cash and cash equivalents, amounts due from related parties, Investments designated at FVTPL and Murabaha investment deposits arising directly from its operations.

The Group may be exposed to the following risks arising from financial instruments:

- Market risk
- Commission rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

The Group's overall risk management program focuses on liquidity management in addition to monitoring various market related changes, thus constantly seeks to reduce potential negative impacts on the Group's financial performance. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below:

Market risk
Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates, profit rates and stock prices on the Group's revenue or the value of its financial instruments. Market risk management aims at managing and controlling risk exposure within acceptable limits while achieving best returns.

Commission rate risk
Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market commission rates. The Management believes that the financial instruments on the consolidated statement of financial position are not subject to commission rate risk.

Foreign currency risk
The Group is not exposed to significant foreign exchange risk and therefore there is no need for effective management of this risk.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

27 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks, financial institutions, and other financial instruments.

To reduce exposure to credit risk, the Group has approval procedures through which credit limits are applied to its customers. The management also constantly monitors exposure to credit risks related to customers and sets aside a provision for expected credit losses, based on the customer's status and payment history. Outstanding customer receivables are also monitored on a regular basis.

Credit risk also arises from cash at banks and Murabaha investment deposits. For banks and Murabaha investment deposits, only those with sound credit ratings are accepted.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2025	*31 December 2024*
Murabaha investment deposits *	**1,025,000,000**	930,000,000
Cash at banks	**31,491,631**	40,915,578
Accounts receivables, net	**19,953,304**	35,916,155
Due from related parties	**7,751,363**	46,299,775
	1,084,196,298	1,053,131,508

*As at 31 December 2025, the Group has Murabaha investment deposits amounting to SAR 1.025 billion (31 December 2024: SAR 930 million) with several local financial institutions, representing approximately 23% of the Group's assets as at 31 December 2025 (31 December 2024: 32%).

Cash at banks, Murabaha investment deposits, and accounts receivable are accounted for at amortized cost.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to realize financial assets quickly at an amount close to its fair value.

Liquidity risk is managed through monitoring such risks on a regular basis to assure sufficient funds are available to meet the Group’s future obligations.

The table below outlines the remaining contractual maturity dates of the Group's financial liabilities and the agreed-upon repayment periods. The table has been prepared based on the undiscounted cash flows of financial liabilities.

As at 31 December 2025	*Carrying value*	*1 year or less*	*More than one year and less than five years*	*More than five years*
Accounts payable, accrued expenses and other payables	144,071,246	144,071,246	-	-
Lease liabilities	60,838,196	7,414,940	29,933,122	23,490,134
Dividends payable	77,755,572	77,755,572	-	-
	282,665,014	**229,241,758**	**29,933,122**	**23,490,134**

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

27 RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (continued)

As at 31 December 2024	*Carrying value*	*1 year or less*	*More than one year and less than five years*	*More than five years*
Accounts payable, accrued expenses and other payables	172,189,001	172,189,001	-	-
Due to related parties	12,535,173	12,535,173	-	-
Lease liabilities	68,860,605	8,022,410	30,449,467	30,388,728
Dividends payable	76,387,682	76,387,682	-	-
	329,972,461	269,134,266	30,449,467	30,388,728

28 CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group continues as a going concern and gains maximum returns through optimal debt and shareholders' equity.

The Company's capital structure includes the Company's shareholders' equity, which consists of capital, reserves, fair value reserve and retained earnings as included in the consolidated statement of changes in shareholders' equity.

29 DIVIDENDS

On 25 Rabi' al-Awwal 1447H (corresponding to 17 September 2025), Board of Directors' decided to distribute dividends for the first half of 2025 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 10 Thul-Qi'dah 1446H (corresponding to 8 May 2025), the Company's general assembly approved the Board of Directors' decision to distribute dividends for the second half of 2024 at 25 halalas per share (233,930,818 common shares) for a total amount of SAR 58,482,704.50.

On 3 Rabi' al-Awwal1446H (corresponding to 1 September 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the first half of 2024 at 25 halalas per share, totaling SAR 44,444,444.

On 14 Shawwal 1445H (corresponding to 23 April 2024), the Company's general assembly approved the board of directors' decision to distribute dividends for the second half of 2023 at 50 halalas per share, totaling SAR 88,888,888.

30 COMMITMENTS AND CONTIGENCIES

The Group has contingent liabilities from time to time relating to certain disputed matters, including claims from and against contractors, litigation and arbitration proceedings involving a variety of cases. These contingencies arise in the ordinary course of business. No significant additional liabilities are expected to be incurred from these potential claims.

There is an ongoing legal case against the Group filed by one of the tenants for an amount of SAR 74 million. Based on the legal counsel's assessment and in line with the Group's accounting policy, management does not expect an outflow of significant economic benefits.

Arriyadh Development Company
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All Amounts in Saudi Riyals unless otherwise stated)

31 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of shares outstanding during the year. Since there is no obligation to convert equity instruments, diluted earnings per share is the same as basic earnings per share.

The basic and diluted earnings per share calculation for the year is as follows:

	31 December 2025	*31 December 2024*
Net profit for the year	**296,062,285**	296,196,445
Weighted average number of ordinary shares held for calculating basic and diluted earnings per share	**227,161,684**	177,777,777
Basic and diluted earnings per share in net profit for the year	1.30	1.67

32 SUBSEQUENT T EVENTS

Other than the subsequent events disclosed on note (9) and (13), there were no other significant subsequent events after 31 December 2025 and until the date of approval of the consolidated financial statements by the Board of Directors that may have a material impact on the consolidated financial statements as of 31 December 2025.

33 COMPARATIVE FIGURES

Certain figures have been reclassified as listed below to conform with the classification used for the year ended 31 December 2025. These reclassifications listed below have no impact on previously reported net income, retained earnings or net assets**:**

	Balance as previously Reported	***Amount of reclassification***	***Balance after reclassification***
Consolidated Statement of Financial Position as at 31 Dec 2024			
Property, plant and equipment (a)	18,695,462	1,087,559	**19,783,021**
Right-of-use assets (b)	50,323,255	(40,622,502)	**9,700,753**
Investment properties (a) & (b)	813,676,420	39,534,943	**853,211,363**

a) During 2025, the land on which the administration buildings are constructed, and the administration buildings in the Group's markets and centers, were reclassified from investment properties to property, plant and equipment.
b) During 2025, and in line with the nature of the Otiqah Market contract (build, invest and operate), the contract was reclassified from a separate line item within right-of-use assets to right-of-use assets included within investment properties.

Other than the reclassifications presented in the table above, there were no other material reclassifications requiring disclosure.

34 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 13 Ramadan 1447H (corresponding to 2 March 2026).

Closing Remarks

Working together towards a sustainable and prosperous tomorrow!

We would like to thank every individual who has contributed to realizing ARDCO's vision, from our partners in the public and private sectors, to the exceptional teams whose work has driven sustainable development. This fruitful collaboration reflects our ongoing commitment to maximizing total shareholder returns by developing value-added investment projects, while abiding by the principles of sustainability and social responsibility and .adopting best practices to achieve a brighter and more prosperous future

Riyadh Development Company
الرياض للتعمير

Mobile:
00966114110333

Toll-Free:
8001160014

Website:
Riyadh.dev

E-mail:
info@riyadh.dev
IR@riyadh.dev
media@riyadh.dev

Working Hours:
Sunday to Thursday | 8 AM to 5 PM

@RiyadhDevSA

Riyadh Development Company