

AL-ANDALUS PROPERTY COMPANY

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements (Unaudited)
For the three- and nine-month periods ended 30 September 2025
Together with the
Independent Auditor's Review Report**

Al-Andalus Property Company

(Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

For the three- and nine-month periods ended 30 September 2025

(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Page</u>
Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Statements	1
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	2
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)	6 – 16



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ٥,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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 REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF AL ANDALUS PROPERTY COMPANY
(SAUDI JOINT STOCK COMPANY)**

Introduction

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed unmodified opinion on those consolidated financial statements on 23 Ramadhan 1446H (corresponding to 23 March 2025). Further, the interim condensed consolidated financial statement of the Group for the three- and nine-month period ended 30 September 2024 were reviewed by another auditor who expressed an unmodified review conclusion on the interim condensed consolidated financial statements on 1 Jumada Al-Ula 1446H (corresponding to 3 November 2024).

for Ernst & Young Professional Services



Marwan S. AlAfaliq
Certified Public Accountant
License No. (422)



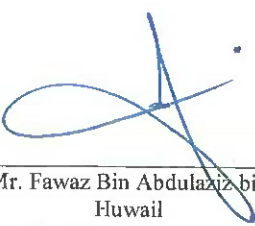
Riyadh: 14 Jumada Al-Ula 1447H
(5 November 2025)

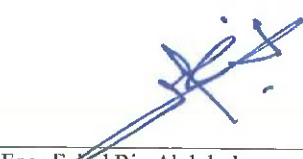
Al-Andalus Property Company
(Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

As at 30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	<i>Note</i>	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Non-current assets			
Property and equipment	7	153,148,278	135,247,719
Investment properties	6	1,297,855,152	1,374,172,184
Equity accounted investees	8	547,926,560	570,715,454
Total non-current assets		1,998,929,990	2,080,135,357
Current assets			
Receivables from operating lease		47,282,272	62,191,934
Prepayments and other receivables		25,004,868	27,187,933
Due from related parties	12	16,320,905	5,127,082
Cash and cash equivalents		77,450,093	45,880,615
Other investments	9	-	40,343,803
Total current assets		166,058,138	180,731,367
Total assets		2,164,988,128	2,260,866,724
Equity			
Share capital		933,333,330	933,333,330
Retained earnings		26,236,228	83,292,053
Equity attributable to the Company's Shareholders		959,569,558	1,016,625,383
Non-controlling interests		123,100,764	142,964,360
Total equity		1,082,670,322	1,159,589,743
Liabilities			
Non-current liabilities			
Employees' benefits – defined benefits obligations		14,274,313	12,604,414
Lease liabilities		69,356,977	114,959,440
Islamic finance facilities	10	854,713,393	839,034,552
Total non-current liabilities		938,344,683	966,598,406
Current liabilities			
Advances from lessees and deferred revenue		67,844,030	53,052,606
Lease liabilities - current portion		10,647,750	17,302,750
Islamic finance facilities - current portion	10	14,780,983	14,366,097
Due to related parties	12	21,269,058	16,335,472
Zakat provision		3,424,415	4,145,569
Accruals and other payables		26,006,887	29,476,081
Total current liabilities		143,973,123	134,678,575
Total liabilities		1,082,317,806	1,101,276,981
Total equity and liabilities		2,164,988,128	2,260,866,724


Mr. Fawaz Bin Abdulaziz bin
Huwail
Chief Financial Officer


Eng. Faisal Bin Abdulrahman
Alnasser
Chief Executive Officer


Mr. Omar Bin Hamad AlMashal
Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	For the three-month period ended 30 September		For the nine-month period ended 30 September		
	Note	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue		60,344,033	58,681,933	170,690,418	170,387,189
Cost of revenue		(23,612,731)	(23,544,447)	(68,632,949)	(66,105,046)
Gross profit		36,731,302	35,137,486	102,057,469	104,282,143
General and administrative expenses		(17,536,863)	(13,502,992)	(47,160,757)	(37,074,847)
Marketing expenses		(1,171,905)	(765,124)	(2,400,088)	(2,854,530)
Impairment loss of receivables		(4,398,058)	(374,699)	(4,833,668)	(7,088,311)
Share of profit (loss) from equity- accounted investees	8	4,443,664	(10,551,517)	(8,538,894)	(21,384,902)
Other income		1,220,023	2,793,828	2,604,701	7,004,944
Operating profit		19,288,163	12,736,982	41,728,763	42,884,497
Finance cost		(16,847,191)	(18,367,683)	(50,149,902)	(48,544,146)
Gain on disposal of a subsidiary		-	-	3,956,055	-
Profit (loss) before Zakat		2,440,972	(5,630,701)	(4,465,084)	(5,659,649)
Zakat		(500,246)	(2,068,586)	(1,704,551)	(4,000,000)
Profit (loss) for the period		1,940,726	(7,699,287)	(6,169,635)	(9,659,649)
Attributable to:					
Shareholders of the Company		583,929	(9,239,662)	(10,389,159)	(15,772,407)
Non-controlling interests		1,356,797	1,540,375	4,219,524	6,112,758
		1,940,726	(7,699,287)	(6,169,635)	(9,659,649)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>		-	-	-	-
Total comprehensive income (loss)		1,940,726	(7,699,287)	(6,169,635)	(9,659,649)
Total comprehensive income attributable to:					
Shareholders of the Company		583,929	(9,239,662)	(10,389,159)	(15,772,407)
Non-controlling interests		1,356,797	1,540,375	4,219,524	6,112,758
		1,940,726	(7,699,287)	(6,169,635)	(9,659,649)
Earnings per share					
Basic and diluted losses per share	11	0.01	(0.10)	(0.11)	(0.17)


Mr. Fawaz Abdulaziz bin Huwail
Chief Financial Officer


Eng. Faisal Abdulrahman Alnasser
Chief Executive Officer


Mr. Omar bin Hamad Al Masha'al
Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine-month period ended 30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	Equity attributable to the Company's Shareholders			Non-controlling interests	Total equity	
	Share capital	Statutory reserve	Retained earnings			Total
Balance as at 1 January 2025 (Audited)	933,333,330	-	83,292,053	1,016,625,383	142,964,360	1,159,589,743
(Loss) profit for the period	-	-	(10,389,159)	(10,389,159)	4,219,524	(6,169,635)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income for the period	-	-	(10,389,159)	(10,389,159)	4,219,524	(6,169,635)
Disposal of a subsidiary (note 15)	-	-	-	-	(4,733,120)	(4,733,120)
Dividends during the period (note 16)	-	-	(46,666,666)	(46,666,666)	(19,350,000)	(66,016,666)
Balance as at 30 September 2025 (Unaudited)	933,333,330	-	26,236,228	959,569,558	123,100,764	1,082,670,322
Balance as at 1 January 2024 (Audited)	933,333,330	100,624,786	37,950,256	1,071,908,372	156,601,357	1,228,509,729
(Loss) profit for the period	-	-	(15,772,407)	(15,772,407)	6,112,758	(9,659,649)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income for the period	-	-	(15,772,407)	(15,772,407)	6,112,758	(9,659,649)
Dividends during the period (note 16)	-	-	(23,333,333)	(23,333,333)	(21,499,062)	(44,832,395)
Balance as at 30 September 2024 (Unaudited)	933,333,330	100,624,786	(1,155,484)	1,032,802,632	141,215,053	1,174,017,685


 Mr. Fawaz Bin Abdulaziz bin Huwail
 Chief Financial Officer


 Eng. Faisal Bin
 Abdulrahman Alnasser
 Chief Executive Officer


 Mr. Omar Bin Hamad AlMashal
 Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the nine-month period ended 30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	<i>Note</i>	2025 (Unaudited)	2024 (Unaudited)
OPERATING ACTIVITIES			
Loss before Zakat		(4,465,084)	(5,659,649)
Adjustments:			
Depreciation:			
- Investment properties	6	24,900,848	25,216,571
- Property and equipment		4,046,565	4,020,354
Interest on lease liabilities		5,940,024	8,623,879
Share of loss from equity accounted investees	8	8,538,894	21,384,902
Impairment loss of receivables		4,833,668	7,088,311
Employees' benefits – defined benefit obligations		1,976,633	1,549,366
Gain from investment in financial instruments at FVTPL		-	(925,075)
Gain on disposal of subsidiary	15	(3,956,055)	-
Finance cost		44,209,878	39,920,266
		<u>86,025,371</u>	<u>101,218,925</u>
Changes in:			
Receivables from operating leases		6,957,174	3,472,395
Prepayments and other receivables		(2,044,091)	(6,396,652)
Related parties' balances, net		(6,242,380)	9,979,754
Advances from lessees and deferred revenue		16,977,693	9,998,994
Accruals and other payables		(3,101,921)	752,722
Cash generated from operating activities		<u>98,571,846</u>	<u>119,026,138</u>
Dividends received from equity accounted investees	8	14,250,000	20,250,000
Employees' benefits - defined benefit obligation paid		(306,735)	(193,228)
Zakat paid		(2,254,336)	(5,812,534)
Net cash generated from operating activities		<u>110,260,775</u>	<u>133,270,376</u>
INVESTING ACTIVITIES			
Additions to property and equipment		(22,281,743)	(4,308,980)
Additions to investment properties	6	(7,622,547)	(35,763,976)
Proceeds from redemption of other investments	9	40,343,803	-
Proceeds from disposal of subsidiary net of cash disposed of	15	12,232,006	-
Additions to investment in equity accounted investees	8	-	(101,788,000)
Additions to right-of-use assets		-	(23,049,800)
Proceeds from disposal of investments in financial instruments at FVTPL, net		-	925,075
Net cash from (used in) investing activities		<u>22,671,519</u>	<u>(163,985,681)</u>
FINANCING ACTIVITIES			
Proceeds from Islamic finance facilities	10	20,346,250	33,000,000
Payment of interest for Islamic finance facilities	10	(48,462,400)	(44,299,650)
Payment of lease liabilities		(7,230,000)	(8,530,001)
Dividends paid	16	(46,666,666)	(23,333,333)
Dividends paid to the non-controlling interests		(19,350,000)	(21,499,062)
Net cash used in financing activities		<u>(101,362,816)</u>	<u>(64,662,046)</u>
Net change in cash and cash equivalents during the period		31,569,478	(95,377,351)
Cash and cash equivalents at the beginning of the period		45,880,615	176,940,865
Cash and cash equivalents at end of the period		<u>77,450,093</u>	<u>81,563,514</u>

Mr. Fawaz Bin Abdulaziz bin
Huwait
Chief Financial Officer

Eng. Faisal Bin Abdulrahman
Almasser
Chief Executive Officer

Mr. Omar Bin Harad AlMasha
Authorized Board Member

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

1 REPORTING ENTITY

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 3 Ramadan 1427H corresponding to 26 September 2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under Commercial Registration No. 1010224110 and Unified Number 7001516512 dated 17 Ramadan 1427H corresponding to 10 October 2006.

The main activities of the Company include construction, ownership and management of centers, commercial and residential complexes in addition to general contracting of residential, commercial buildings, educational, recreational, health institutions, roads, dams, water and sewage projects, electrical and mechanical works. The activities also include maintenance and operation of real estate properties, buildings and commercial complexes as well as ownership, development and investment of lands and properties for the benefit of the Company and based on its purposes.

The Company’s share capital is SR 933,333,330 divided into 93,333,333 shares with a nominal value of SR 10 each.

The head office of the Company is located in Riyadh, Al Wadi District, Northern Ring Road, Al-Andalus Property Company Building.

The Company’s financial year starts on 1 January and ends on 31 December of each Gregorian year.

Al-Andalus Property Company is referred to as (the “Company”) or collectively with its subsidiaries disclosed in Note 3 as (the “Group”).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements (the “Interim Financial Statements”) for the nine-month period ended 30 September 2025 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2024 (Prior Year Financial Statements).

These interim financial statements do not include all the information and disclosures required in the annual financial statements in accordance with requirements of International Financial Reporting Standards (IFRS Accounting Standards) issued by International Accounting Standards Board (“IASB”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). However, these interim financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

2.2 Basis of measurement

The Interim financial statements have been prepared on a historical cost basis, except:

- Defined benefit obligation - employees’ benefits which are measured at present value using the projected unit credit method.
- Financial instruments at fair value through profit or loss.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the main functional currency of the Group.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

3 BASIS OF CONSOLIDATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements include the financial statements of the Company, and its subsidiaries listed below as at 30 September 2025 and 31 December 2024:

<u>Subsidiary's name</u>	<u>Country of Incorporation</u>	<u>% of shareholding</u>	
		<u>30 September 2025</u>	<u>31 December 2024</u>
Al-Ahli REIT Fund 1	Kingdom of Saudi Arabia	68.73%	68.73%
Manafea Al Andalus Company for Real Estate Development (note 15)	Kingdom of Saudi Arabia	-	70%

Details of subsidiaries are as follows:

Al-Ahli REIT Fund 1

Al-Ahli REIT Fund 1 was formed in accordance with Capital Market Authority dated 11 Rabi' I 1438H (corresponding to 29 November 2017). The principal activities of the Fund are to make investments in investment properties. Currently, Al-Andalus manages the properties in the Fund through the master transfer agreement. Any change in the management of Fund's properties will require a majority of the unit holder voting. The Fund's investments represent the following properties:

<u>Name of property</u>	<u>Location</u>
Alandalus Mall	Jeddah
Al-Andalus Mall Hotel	Jeddah
Salama Tower	Jeddah
QBIC Plaza	Riyadh

Manafea Al Andalus Company for Real Estate Development

Manafea Al Andalus Company for Real Estate Development was formed as a limited liability company in the Kingdom of Saudi Arabia and operates under Commercial Registration No 1010700657 dated 22 Rajab 1438H (corresponding to 19 April 2017). The principal activities of Manafea include leasing, managing properties owned or leasing (residential and nonresidential), commission-based properties management activities, developments activities, and investment properties.

<u>Name of property</u>	<u>Location</u>
Al Marwah Plaza	Jeddah

The subsidiary has been disposed of during the period (note 15).

4 AMENDMENTS TO STANDARDS AND INTERPRETATIONS

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025, but these do not have an impact on the interim financial statements of the Group.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim financial statements requires management to use judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those applied in the Group's annual consolidated financial statements as at and for the year ended 31 December 2024.

6 INVESTMENT PROPERTIES

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cost:		
Balance at the beginning of the period/ year	1,684,810,243	1,599,523,703
Additions during the period/ year	7,622,547	85,286,540
Derecognized on sale of subsidiary (note 15)	(89,150,015)	-
Balance at the end of the period / year	<u>1,603,282,775</u>	<u>1,684,810,243</u>
Accumulated depreciation:		
Balance at the beginning of the period/ year	(310,638,059)	(275,506,183)
Depreciation charged during the period / year	(24,900,848)	(35,131,876)
Derecognized accumulated depreciation and impairment on sale of subsidiary (note 15)	30,111,284	-
Balance at the end of the period / year	<u>(305,427,623)</u>	<u>(310,638,059)</u>
Net carrying amount	<u>1,297,855,152</u>	<u>1,374,172,184</u>

The Group has pledged Al-Andalus Mall against Islamic financing facility that is obtained from a local Bank (note 10). Also, the Group pledged Yassmin Al-Andalus Tower against Islamic financing facility that is obtained from a local bank (note 10).

The lands and the buildings classified as investment properties were evaluated by external valuers to determine their fair value as of 31 December 2024. The fair values of the investment properties amounted to ﷲ 2.37 billion as at that date. The key assumptions used in determining the fair value of the investment properties were discount rates, occupancy rate and exit yield rate and the valuation approaches used are the income approach (discounted cash flows) and sales comparable method.

The evaluation was carried out by the external valuers accredited by the Saudi Authority for Accredited Valuers (TAQEEM), Esnad: TAQEEM record No. 1210000934, QIAM: TAQEEM record No. 1210000052, and ValuStart: TAQEEM record No. 1210000320/1210001039.

The management believes that the fair values of investment properties as at 30 September 2025 do not materially differ from the fair values determined as at 31 December 2024.

7 PROPERTY AND EQUIPMENT

As of 30 September 2025, the cost of property and equipment amounted to ﷲ 241.6 million (31 December 2024: ﷲ 220.1 million) and the accumulated depreciation amounted to ﷲ 88.5 million (31 December 2024: ﷲ 84.8 million).

The Group has pledged Al-Andalus Mall Hotel against Islamic finance facility obtained from local Bank (refer note 10).

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

8 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES

The details of equity-accounted investments are summarized as follows:

	% of shareholding		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	30 September 2025	31 December 2024		
Hayat Real Estate Company	25%	25%	201,454,251	197,525,907
Al-Aswaq Al-Mutatawerah Company*	50%	50%	103,232,508	101,469,385
West Jeddah Hospital Company*	50%	50%	88,610,577	115,613,544
Massat Property Company**	25%	25%	55,939,408	56,120,786
Al-Jawhra Al-Kubra Company	25%	25%	49,658,567	50,954,583
Sorooh Al-Marakiz Company**	25%	25%	49,031,249	49,031,249
			547,926,560	570,715,454

* The Group owns 50% of the shareholding of these associates and does not have control or common control over these associates.

** These companies have not commenced commercial operations yet.

All of the equity-accounted investees are incorporated in Kingdom of Saudi Arabia.

The movement in investments in equity-accounted investees is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Unaudited)
Balance at the beginning of the period/ year	570,715,454	527,085,565
Addition during the period/ year	-	101,788,000
Share of losses from equity accounted investees for the period/ year	(8,538,894)	(33,907,930)
Dividends received during the period/year	(14,250,000)	(24,250,181)
Balance at the end of the period/ year	547,926,560	570,715,454

The Group's share of profit (loss) of equity-accounted investees for the period is as follows:

	For the nine-month period ended	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Hayat Real Estate Company	13,178,344	15,388,351
Al-Aswaq Al-Mutatawerah Company	6,763,123	2,155,620
Al-Jawhra Al-Kubra Company	(1,296,016)	(6,653,224)
Massat Property Company	(181,378)	(38,747)
West Jeddah Hospital Company	(27,002,967)	(32,236,902)
	(8,538,894)	(21,384,902)

The companies' financial information at and for the period ended 30 September 2025 is derived from the management reports of these companies.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

9 OTHER INVESTMENTS

Other investments balance as of 30 September 2025 – NIL (31 December 2024: ﷲ 40.3 million) represent deposits with “Alkhair Capital Fund” with maturity of less than three months.

10 ISLAMIC FINANCE FACILITIES

Movement in Islamic finance facilities during the period is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	853,400,649	803,809,841
Additions during the period/year	20,346,250	54,000,000
Additions of finance cost during the period/year	44,209,877	54,789,689
Payments during the period/year	(48,462,400)	(59,198,881)
Balance at the end of the year	869,494,376	853,400,649
Non-current portion	854,713,393	839,034,552
Current portion	14,780,983	14,366,097

During 2019, the Group obtained an Islamic financing facility amounting to ﷲ 650 million from local bank. The facility agreement included adherence to specific financial covenants for the local bank. The Group pledged the properties (Al-Andalus Mall and Hotel), in favor of a real estate company, a fully owned subsidiary of the local bank, as a guarantee against the financing. The tenor of the Islamic financing facility is 15 years. The Islamic financing facility provides a 5-year grace period during which only profit payments must be made. Following the grace period, the principal amount shall be repaid over 10 years on a quarterly basis. Further, an amendment to the Islamic financing agreement was signed and the type of facility was changed from Ijara to Murabaha. The facility limit was increased to ﷲ 760 million instead of ﷲ 650 million. An additional amount of the facility of ﷲ 20.34 million was utilized during the period.

The Group has agreed with the local bank to extend the maturity of SR 760 million for additional 3 years, accordingly, the facility balance has been classified as non-current.

During 2023, the Group obtained an Islamic finance facility from the local bank to finance the acquisition transaction of Yassmin Al-Andalus Tower in Al-Yasmeen district, Riyadh city. The term of the facility is 7 years, and payments must be made one year after the date of withdrawal in the form of incremental annual installments for a period of 7 years, with the last installment due on the date of termination. The Group pledged Yassmin Al-Andalus Tower having a carrying value of ﷲ 196.3 million as at reporting date, classified within investment properties to the local bank as a guarantee against the financing. The Group also approved to waive the rental returns and transfer them directly to the Group account at the local bank.

The financing is subject to commission rates based on SAIBOR plus an agreed commission rate. The increase in the finance cost is attributable to the increase in the interest rates accrued during the period. The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained, otherwise the loan will be repayable on demand.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

11 EARNINGS PER SHARE

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
(Profit) loss attributable to the shareholders of the Company	584,175	(9,239,662)	(10,388,913)	(15,772,407)
Weighted average number of outstanding ordinary shares	93,333,333	93,333,333	93,333,333	93,333,333
Basic and diluted earnings per share (ﷲ)	0.01	(0.10)	(0.11)	(0.17)

The diluted earnings per share are equal to the basic earnings per share for the periods ended 30 September 2025 and 30 September 2024 as there are no instruments with diluted impact on earnings per share.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

For the purpose of these interim condensed consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. The transactions with related parties are made on terms approved by the Board of Directors of the Group. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these interim condensed consolidated financial statements.

The details of transactions with related parties are mentioned below:

Related party name	Relationship	Nature of the transaction	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Al-Jawhara Company	Associate	Expenses paid on behalf	12,946,250	-
Al-Ahli Capital	Fund manager of a subsidiary	Operating Services	15,835,900	9,849,472
Hayat Real Estate Company	Associate	Operating income and expenses paid on behalf	10,320,640	7,862,032

The details of balances with related parties are mentioned below:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties		
Hayat Real Estate Company	3,374,655	5,127,082
Al-Jawhara Company	12,946,250	-
	<u>16,320,905</u>	<u>5,127,082</u>
Due to related parties		
Al-Ahli Capital	21,269,058	16,335,472

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

13 SEGMENTS REPORTING

The Group's activities include a number of segments as follows:

<u>Reportable segments</u>	<u>Activity</u>
Retail and operation sector	This includes rented out commercial units of certain investment properties utilized as malls and for operation of the malls.
Hospitality sector	This includes properties used for providing hospitality services (Al-Andalus Mall Hotel)
Office sector	This includes rent for commercial units from investment properties (Salama Tower, QBIC Plaza, Yassmin Al-Andalus Tower).

The Group reviews internal reports for each sector on a quarterly basis at a minimum.

The information related to each reportable sector is as follows: Net sector profit before zakat is used to measure performance as the Group's management believes that this information is the most relevant in assessing the results of the relevant sector compared to other companies operating in the same industry.

For the nine-month period ended 30 September 2025
(Unaudited)

	<u>Retail sector</u>	<u>Hospitality sector</u>	<u>Office sector</u>	<u>Unallocated</u>	<u>Total</u>
Revenue	115,551,432	10,660,626	44,478,360	-	170,690,418
Cost of revenue	(38,338,143)	(16,383,846)	(13,910,960)	-	(68,632,949)
Share of losses from equity-accounted investees	-	-	-	(8,538,894)	(8,538,894)
Expenses	(52,431,867)	-	(35,002,448)	(12,276,432)	(99,710,747)
Impairment of receivables from operating lease	(4,833,668)	-	-	-	(4,833,668)
Other income	-	-	-	2,604,701	2,604,701
Gain on disposal from subsidiary	-	-	-	3,956,055	3,956,055
Profit (loss) before Zakat	<u>19,947,754</u>	<u>(5,723,220)</u>	<u>(4,435,048)</u>	<u>(14,254,570)</u>	<u>(4,465,084)</u>
<u>As at 30 September 2025 (Unaudited)</u>					
Total assets	<u>703,633,661</u>	<u>141,621,571</u>	<u>670,017,497</u>	<u>649,715,399</u>	<u>2,164,988,128</u>
Total liabilities	<u>380,882,265</u>	<u>3,182,280</u>	<u>678,470,066</u>	<u>19,783,195</u>	<u>1,082,317,806</u>

The Group's executive management reviews the internal management reports of each division at least quarterly. Group revenue are generated from contracts with customers by providing commercial unit rental services and hospitality services. Control over housing units rental services is transferred over time, while control over hospitality services is transferred at a point in time.

Information about geographic regions

All of the Group operating sectors operate within the borders of the Kingdom of Saudi Arabia.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

13 SEGMENTS REPORTING (continued)

<u>For the nine-month period ended 30 September 2024</u> <u>(Unaudited)</u>	<u>Retail sector</u>	<u>Hospitality sector</u>	<u>Office sector</u>	<u>Unallocated</u>	<u>Total</u>
Revenue	111,606,126	15,322,146	43,458,917	-	170,387,189
Cost of revenue	(36,636,153)	(17,661,496)	(11,807,397)	-	(66,105,046)
Share in losses of equity-accounted investees	-	-	-	(21,384,902)	(21,384,902)
Expenses	(34,593,136)	-	(36,887,774)	(16,992,613)	(88,473,523)
Impairment of receivables from operating lease	(7,088,311)	-	-	-	(7,088,311)
Other income	-	-	-	7,004,944	7,004,944
Profit (loss) before Zakat	<u>33,288,526</u>	<u>(2,339,350)</u>	<u>(5,236,254)</u>	<u>(31,372,571)</u>	<u>(5,659,649)</u>
<u>As at 31 December 2024</u>					
Total assets	<u>720,911,961</u>	<u>125,363,510</u>	<u>680,571,257</u>	<u>734,019,996</u>	<u>2,260,866,724</u>
Total liabilities	<u>429,334,614</u>	<u>3,709,517</u>	<u>656,451,933</u>	<u>11,780,917</u>	<u>1,101,276,981</u>

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

30 September 2025

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

14 DETERMINATION OF FAIR VALUES, CLASSIFICATION AND RISK MANAGEMENT

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 and at prevailing market conditions regardless of the fact that price is directly identified or estimated using other valuation techniques.

All assets and liabilities whether these are measured at fair value or not, are disclosed in the financial statements in accordance with the hierarchical levels of fair value measurements as stated below are classified into the respective hierarchy based on the lowest level of input which is considered significant for measuring the fair value as a whole.

Level 1: Declared (unadjusted) and quoted market prices in active markets for the same or identical instruments.

Level 2: Valuation techniques that use inputs that are directly or indirectly observable or tracked for an instrument other than declared / quoted prices mentioned in level 1.

Level 3: Valuation techniques for which significant inputs are used that are unobservable or not tracked for an instrument.

The Group is exposed to risks as a result of using financial instruments. The following explains the Company's objectives, policies and operations to manage these risks and methods used to measure them in addition to quantitative information related to these risks in the accompanying financial statements.

There were no significant changes that may expose the Group to financial instrument risks through its objectives, policies and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

15 DISPOSAL OF SUBSIDIARY

On 27 February 2025, the board of directors of the group approved to sell the total interest owned (70%) in the subsidiary “Manafea Al-Andalus Company” and the contract has been signed between the Group and the buyer “Saudi Tourism Development Company” on 27 February 2025, for a total value of ﷲ 15 Million, the parties agreed that the sales effective transaction date and the shares shall be sold based on the balances of subsidiary as at 1st January 2025. The deal has resulted in a gain of ﷲ 3.9 million.

	As at 1 January 2025
Consideration received	15,000,000
Net value of net assets of subsidiary	(11,043,945)
Net gain on disposal of subsidiary	3,956,055
Net assets of subsidiary sold at the date of disposal	15,777,065
Less: value of NCI at the date of disposal	(4,733,120)
Net value of net assets of subsidiary	11,043,945

Financial Information at the date of disposal for subsidiary as follows:

	As at 1 January 2025
Assets	
Property and equipment	334,621
Investment properties (note 6)	59,038,731
Receivables from operating lease	3,118,819
Prepayments and other receivables	4,227,156
Cash and cash equivalents	2,767,994
Total assets	69,487,321
Liabilities	
Lease liabilities	50,967,487
Advances from lessees and deferred revenue	2,186,269
Due to related parties	17,857
Accruals and other payables	367,274
Zakat provision	171,369
Total liabilities	53,710,256
Net assets	15,777,065

Al-Andalus Property Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(UNAUDITED) (continued)****30 September 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

15 DISPOSAL OF SUBSIDIARY (continued)**Effect of disposal on the cash flow:**

Investment property	59,038,731
Receivables from operating lease	3,118,819
Prepayments and other receivables	4,227,156
Property and equipment	334,621
Due to related parties	(17,857)
Advance From lease	(2,186,269)
Accruals and other payables	(367,274)
Zakat payable	(171,369)
Obligation under operation lease	(50,967,487)
Profit from disposal	3,956,055
Non-controlling interest	(4,733,120)
Disposal of subsidiary	<u>12,232,006</u>
Consideration in received	15,000,000
Cash and cash equivalent disposed	<u>(2,767,994)</u>
	<u>12,232,006</u>

16 DIVIDENDS

On 23 March 2025, the Board of Directors decided pursuant to the authorization of the general assembly to distribute interim dividends of ﷲ 23.3 million (ﷲ 0.25 per share) and such dividends were paid on 29 April 2025. Also, the Board of Directors have resolved on 10 August 2025, pursuant to the authorization of the general assembly to distribute interim dividends of ﷲ 23.3 million (ﷲ 0.25 per share) and such dividends were paid on 4 September 2025. The total dividends paid during the period amounted to ﷲ 46.6 million (30 September 2024: ﷲ 23.3 million, ﷲ 0.25 per share).

17 ZAKAT

The Company has finalized its Zakat assessment with the Zakat, Tax, and Customs Authority (ZATCA) for all the years up to 2023 and obtained zakat certificate up to 2024.

18 SUBSEQUENT EVENTS

There have been no subsequent events after the reporting date that might require disclosure in or adjustment in these interim financial statements.

19 APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 14 Jumada Al-Awwal 1447H (corresponding to 5 November 2025).