

**AL-ANDALUS PROPERTY COMPANY**

(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Financial Statements (Unaudited)**

**For the three-month period ended 31 March 2026**

Together with the

**Independent Auditor's review report**

**Al-Andalus Property Company**

(Saudi Joint Stock Company)

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

**For the three-month period ended 31 March 2026**

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

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**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 subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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 interim condensed consolidated financial statement of the Group for the three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on the interim condensed consolidated financial statements on 13 Thul-Qi'dah 1446H (corresponding to 11 May 2025).

for Ernst & Young Professional Services



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

Riyadh: 20 Thul-Qi'dah 1447H  
(7 May 2026)




**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**INTERIMCONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(UNAUDITED)**

As at 31 March 2026

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

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	164,496,445	151,255,513
Investment properties	6	1,319,886,411	1,321,792,907
Equity accounted investees	8	531,296,883	536,226,898
<b>Total non-current assets</b>		<b>2,015,679,739</b>	<b>2,009,275,318</b>
<b>Current assets</b>			
Receivables from operating lease		75,537,981	33,390,588
Prepayments and other receivables		25,285,021	25,571,580
Due from related parties	12	3,668,282	2,780,481
Cash and cash equivalents		56,773,741	84,878,415
Financial instruments at FVTPL	9	12,135,430	-
<b>Total current assets</b>		<b>173,400,455</b>	<b>146,621,064</b>
<b>Total assets</b>		<b>2,189,080,194</b>	<b>2,155,896,382</b>
<b>Equity</b>			
Share capital		933,333,330	933,333,330
Retained earnings		19,750,970	17,982,480
<b>Equity attributable to the Company's Shareholders</b>		<b>953,084,300</b>	<b>951,315,810</b>
Non-controlling interests		120,488,097	124,611,841
<b>Total equity</b>		<b>1,073,572,397</b>	<b>1,075,927,651</b>
<b>Liabilities</b>			
Employees' benefits – defined benefits obligations		15,418,018	15,051,664
Lease liabilities		67,223,245	65,319,236
Islamic finance facilities	10	863,723,129	863,280,330
<b>Total non-current liabilities</b>		<b>946,364,392</b>	<b>943,651,230</b>
Advances from lessees and deferred revenue		75,506,755	58,196,161
Lease liabilities - current portion		13,247,750	13,247,750
Islamic finance facilities - current portion	10	16,901,155	16,788,760
Due to related parties	12	21,435,999	16,770,459
Zakat provision		3,721,120	3,431,310
Accruals and other payables		38,330,626	27,883,061
<b>Total current liabilities</b>		<b>169,143,405</b>	<b>136,317,501</b>
<b>Total liabilities</b>		<b>1,115,507,797</b>	<b>1,079,968,731</b>
<b>Total equity and liabilities</b>		<b>2,189,080,194</b>	<b>2,155,896,382</b>

Mr. Fawaz Bin Abdulaziz bin  
Huwait  
Chief Financial Officer



Eng. Faisal Bin  
Abdulrahman Alnasser  
Chief Executive Officer



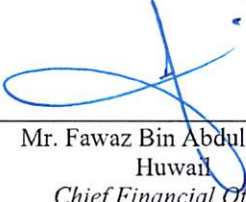
Mr. Omar Bin Hamad AlMashal  
Authorized Board Member




The accompanying notes 1 to 18 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 period ended 31 March 2026**  
(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	13	70,863,872	56,407,863
Cost of revenue	13	(23,826,855)	(22,469,634)
<b>Gross profit</b>		<b>47,037,017</b>	<b>33,938,229</b>
General and administrative expenses		(17,063,544)	(14,377,259)
Marketing expenses		(1,032,811)	(812,480)
Allowance for expected credit loss		(1,617,954)	(435,610)
Share of losses from equity accounted investees	8	(4,930,015)	(4,903,559)
Other income		1,300,118	762,670
<b>Operating profit</b>		<b>23,692,811</b>	<b>14,171,991</b>
Finance cost		(16,076,906)	(16,583,880)
Gain on disposal of a subsidiary	15	-	3,956,055
<b>Profit before Zakat</b>		<b>7,615,905</b>	<b>1,544,166</b>
Zakat		(511,984)	(424,774)
<b>Profit for the period</b>		<b>7,103,921</b>	<b>1,119,392</b>
<b>Attributable to:</b>			
Shareholders of the Company		1,768,490	(834,078)
Non-controlling interests		5,335,431	1,953,470
		<b>7,103,921</b>	<b>1,119,392</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss:		-	-
<b>Total comprehensive income</b>		<b>7,103,921</b>	<b>1,119,392</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		1,768,490	(834,078)
Non-controlling interests		5,335,431	1,953,470
		<b>7,103,921</b>	<b>1,119,392</b>
<b>Earnings / ( Loss ) per share</b>			
Basic and diluted earnings per share	11	<b>0.02</b>	(0.01)

  
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**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

**For the three-month period ended 31 March 2026**

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

	Share capital	Retained earnings	Equity attributable to the Company's Shareholders	Non-controlling interests	Total
<b>Balance as at 1 January 2026 - (audited)</b>	<b>933,333,330</b>	<b>17,982,480</b>	<b>951,315,810</b>	<b>124,611,841</b>	<b>1,075,927,651</b>
Profit for the period	-	1,768,490	1,768,490	5,335,431	7,103,921
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,768,490</b>	<b>1,768,490</b>	<b>5,335,431</b>	<b>7,103,921</b>
Dividends during the period (Note 16)	-	-	-	(9,459,175)	(9,459,175)
<b>Balance as at 31 March 2026 (unaudited)</b>	<b>933,333,330</b>	<b>19,750,970</b>	<b>953,084,300</b>	<b>120,488,097</b>	<b>1,073,572,397</b>
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	-	(834,078)	(834,078)	1,953,470	1,119,392
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss) income for the period	-	(834,078)	(834,078)	1,953,470	1,119,392
Disposal of subsidiary with NCI	-	-	-	(4,733,120)	(4,733,120)
Dividends during the period (Note 16)	-	(23,333,333)	(23,333,333)	-	(23,333,333)
Balance as at 31 March 2025 (unaudited)	933,333,330	59,124,642	992,457,972	140,184,710	1,132,642,682

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

**For the three-month period ended 31 March 2026**

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

	<b>For the three-month period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>Operating activities</u></b>		
Profit for the period before Zakat	7,615,905	1,544,166
<b>Adjustments for non cash items:</b>		
Depreciation:		
- Investment properties	6 8,286,835	8,304,103
- Property and equipment	1,581,918	1,349,913
Interest on lease liabilities	1,904,009	1,980,008
Share of loss from equity accounted investees	4,930,015	4,903,559
Allowance for expected credit loss	1,617,954	435,610
Employees' benefits – defined benefit obligations	753,010	658,878
Change in fair value of financial instruments at FVTPL	(135,430)	-
Gain on disposal of subsidiary	-	(3,956,055)
Finance cost	10 14,172,897	14,603,872
	<u>40,727,113</u>	<u>29,824,054</u>
<b>Changes in:</b>		
Receivables from operating leases	(43,765,347)	(23,532,146)
Prepayments and other receivables	286,559	(1,727,627)
Related parties' balances, net	3,777,739	(6,150,906)
Advances from lessees and deferred revenue	17,310,594	7,110,736
Accruals and other payables	988,390	(4,212,764)
Dividends received from equity-accounted investees	-	2,500,000
<b>Cash generated from operating activities</b>	<u>19,325,048</u>	<u>3,811,347</u>
Employees' benefits - defined benefit obligation paid	(386,656)	(33,832)
Zakat paid	(222,174)	-
<b>Net cash generated from operating activities</b>	<u>18,716,218</u>	<u>3,777,515</u>
<b><u>Investing activities</u></b>		
Additions to property and equipment	(2,187,762)	(5,876,455)
Additions to investment properties	6 (19,271,358)	(1,449,480)
Purchase of investments in financial instruments at FVTPL	(12,000,000)	(7,000,000)
Proceed from disposal of property and equipment	255,931	-
Proceed from disposal of other investments	-	33,268,428
Proceeds from disposal of subsidiary	-	7,232,006
<b>Net cash (used in) generated from investing activities</b>	<u>(33,203,189)</u>	<u>26,174,499</u>
<b><u>Financing activities</u></b>		
Payment of interest for Islamic finance facilities	10 (13,617,703)	(14,351,300)
Payment of lease liabilities	-	(3,600,000)
<b>Net cash used in financing activities</b>	<u>(13,617,703)</u>	<u>(17,951,300)</u>
Net change in cash and cash equivalents during the period	(28,104,674)	12,000,714
Cash and cash equivalents at the beginning of the period	84,878,415	45,880,615
<b>Cash and cash equivalents at closing of the period</b>	<u>56,773,741</u>	<u>57,881,329</u>
<b><u>Material non-cash transactions:</u></b>		
Transfer from investment properties to property and equipment	12,891,019	-
Dividends payable	9,459,175	23,333,333

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The accompanying notes 1 to 18 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 INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**For the three-month period ended 31 March 2026**

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

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#### **1 REPORTING ENTITY**

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 03/09/1427H corresponding to 26/09/2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under the 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 Group 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 three-month period ended 31 March 2026 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 2025 (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.

The performance for the three-month period ended on 31 March 2026, do not necessarily reflect the results that could be anticipated for the year ending on 31 December 2026.

## Al-Andalus Property Company

(A Saudi Joint Stock Company)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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

## 2 BASIS OF PREPARATION (continued)

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

## 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 and for the period ended 31 March 2026:

<u>Subsidiary's name</u>	<u>Country of Incorporation</u>	<u>% of shareholding</u>	
		<u>2026</u>	<u>2025</u>
Al-Ahli REIT Fund 1	Kingdom of Saudi Arabia	68.73%	68.73%
Mawared Al-Tamayuz Real Estate Company	Kingdom of Saudi Arabia	100%	100%
*AlAndalus Litashid Almabani Aldirasia Company	Kingdom of Saudi Arabia	100%	-
*Marafiq AlAndalus Allujistiyah Company	Kingdom of Saudi Arabia	100%	-
*Sakan AlAndalus Company	Kingdom of Saudi Arabia	100%	-

\* These wholly owned subsidiaries have been incorporated by the Group in the current period.

Details of subsidiaries are as follows:

### 1. 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 managed 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 below properties:

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

### 2. Mawared Al-Tamayuz Real Estate Company

Mawared Al-Tamayuz Real Estate Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010809659 dated 27 Dhul-Qidah 1443H corresponding to 26 June 2022G, Mawared Al-Tamayuz Real Estate Company holds a lease agreement of a land located in Riyadh on which Malqa Al- Andalus Tower being constructed.

## **Al-Andalus Property Company**

(A Saudi Joint Stock Company)

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)**

**For the three-month period ended 31 March 2026**

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

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#### **3 BASIS OF CONSOLIDATION OF THE INTERIM FINANCIAL STATEMENTS (continued)**

##### **3. AlAndalus Litashid Almagani Aldirasia Company**

AlAndalus Litashid Almagani Aldirasia Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053499518 dated 07 Shaban 1447H corresponding to 26 January 2026G. the principal activities include construction of non-residential building such as schools, hospital, hotel, development of residential and commercial real estate. The subsidiary has not yet commenced commercial operation.

##### **4. Marafiq AlAndalus Allujistiyah Company**

Marafiq AlAndalus Allujistiyah Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053695636 dated 28 Shaban 1447H corresponding to 16 February 2026G. the principal activities include construction of non-residential building such as schools, hospital and providing the logistic services. The subsidiary has not yet commenced commercial operation.

##### **5. Sakan AlAndalus Company**

Sakan AlAndalus Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7053724915 dated 02 Ramadhan 1447H corresponding to 19 February 2026G. the principal activities include construction of residential buildings, remodeling or renovating existing residential and non-residential structures, sale and rental of real estate projects, real estate development of commercial and residential, property management and real estate agent and brokerage services, . The subsidiary has not yet commenced commercial operation.

#### **4 AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The accounting policies adopted in the preparation of these interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

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 2026, but these do not have an impact on the interim financial statements of the Group.

##### *Standards issued but not yet effective*

##### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the interim condensed consolidated financial statements and notes to the interim condensed consolidated financial statements.

**Al-Andalus Property Company**

(A Saudi Joint Stock Company)

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

**For the three-month period ended 31 March 2026**

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

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**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 preparation in the Group's annual consolidated financial statements as at and for the year ended 31 December 2025.

**Geopolitical developments**

During the period ended 31 March 2026, the geopolitical tensions in the Middle East has escalated, leading to a state of regional instability. As of the date of issuance of these consolidated financial statements, the Group has not identified any material impact on its operations, supply chains, or financial position.

The current geopolitical situation has not materially impacted the significant accounting judgements, estimates and assumptions as at and for the period ended 31 March 2026. Management continues to monitor the geopolitical situation in the Middle East to assess if any further escalation or continuation of the conflict could result in any impact on the Group's operations and results and any changes required will be reflected in future reporting period.

## Al-Andalus Property Company

(A Saudi Joint Stock Company)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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

#### 6 INVESTMENT PROPERTIES

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<b><u>Cost:</u></b>		
Balance at the beginning of the period/ year	1,635,627,795	1,684,810,243
Additions during the period/ year	19,271,358	39,967,567
*Transfer to property and equipment	(16,523,000)	-
Derecognised on sale of subsidiary	-	(89,150,015)
Balance at the end of the period / year	<u>1,638,376,153</u>	<u>1,635,627,795</u>
<b><u>Accumulated depreciation:</u></b>		
Balance at the beginning of the period/ year	(313,834,888)	(310,638,059)
Depreciation charged during the period / year	(8,286,835)	(33,308,113)
Derecognised accumulated depreciation and Impairment on sale of subsidiary	-	30,111,284
*Transfer to property and equipment	3,631,981	-
Balance at the end of the period / year	<u>(318,489,742)</u>	<u>(313,834,888)</u>
<b>Net carrying amount</b>	<u><b>1,319,886,411</b></u>	<u><b>1,321,792,907</b></u>

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

The lands and the buildings classified as investment properties were evaluated by external valuers to determine their fair value as at 31 December 2025. The fair values of the investment properties amounted to ﷲ 2.35 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) (ValuStart: TAQEEM record No. 1210000320/1210001039)].

\*During the current period, the management decided to use a portion of the head office building, which was previously rented out, for the Group's own operational purposes. Accordingly, this portion no longer meets the definition of investment property and has been reclassified to property and equipment due to the change in use and the related cost and accumulated depreciation were transferred from investment property to property and equipment.

The management believes that the fair values of investment properties as at 31 March 2026 do not materially differ from the fair values determined as at 31 December 2025.

#### 7 PROPERTY AND EQUIPMENT

As of 31 March 2026, the cost of property and equipment amounted to ﷲ 262.4 million (31 December 2025: ﷲ 244.3 million) and the accumulated depreciation amounted to ﷲ 97.9 million (31 December 2025: ﷲ 93.1 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 INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three-month period ended 31 March 2026**

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

**8 EQUITY-ACCOUNTED INVESTEEES**

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

	% of shareholding		31 March 2026 (Unaudited)	31 December 2025 (Audited)
	31 March 2026	December 2025		
Alaswaq Almutatawerah Company **	50%	50%	<b>100,837,418</b>	98,303,849
Hayat Real Estate Company	25%	25%	<b>201,725,899</b>	197,267,844
Sorooh Al Marakiz Company*	25%	25%	<b>48,966,356</b>	48,971,356
West Jeddah Hospital Company **	50%	50%	<b>74,909,339</b>	85,744,539
Al-Jawhra Al-Kubra Company	25%	25%	<b>43,573,096</b>	44,389,212
Massat Property Company *	25%	25%	<b>61,284,775</b>	61,550,098
			<b>531,296,883</b>	536,226,898

\* These companies have not commenced commercial operations yet.

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

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

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

	31 March 2026 (Unaudited)	31 December 2025 (Unaudited)
Balance at the beginning of the period/ year	<b>536,226,898</b>	570,715,454
Addition during the period / year	-	6,250,000
Share of losses from equity accounted investees for the period/ year	<b>(4,930,015)</b>	(11,488,556)
Dividends received during the period/year	-	(29,250,000)
Balance at the end of the period / year	<b>531,296,883</b>	536,226,898

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

	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Alaswaq Almutatawerah Company	<b>2,533,569</b>	2,815,081
Hayat Real Estate Company	<b>4,458,055</b>	4,640,717
West Jeddah Hospital Company	<b>(10,835,200)</b>	(12,118,581)
Al-Jawhra Al-Kubra Company	<b>(816,116)</b>	(188,167)
Sorooh Al Marakiz Company	<b>(5,000)</b>	-
Massat Property Company	<b>(265,323)</b>	(52,609)
	<b>(4,930,015)</b>	(4,903,559)

The companies' financial information as at and for the period ended 31 March 2026, is derived from the management reports of these companies.

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

**9 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The movement in financial instruments at FVTPL:

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 December 2025 <b>(Audited)</b>
At the beginning of the period/year	-	-
Additions during the period/year	<b>12,000,000</b>	7,000,000
Change in fair value	<b>135,430</b>	18,295
Disposed during the period/year	-	(7,018,295)
At end of the period/year	<b>12,135,430</b>	-

During the period, the Group has recognized gain of ﷲ 135,430 (31 March 2025 ﷲ 18,295) related to investment through profit and loss at SNB Capital Saudi Riyal Trade Fund managed by the Fund Manager (a related party). The fair value of the investment is determined within Level 1 in the fair valuation hierarchy.

**10 ISLAMIC FINANCE FACILITIES**

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

	<b>31 March 2026</b> <b>(Unaudited)</b>	31 December 2025 <b>(Audited)</b>
Balance at the beginning of the year	<b>880,069,090</b>	853,400,649
Additions during the year	-	27,293,750
Finance cost during the year	<b>14,172,897</b>	58,793,571
Payments during the year	<b>(13,617,703)</b>	(59,418,880)
Balance at the end of the year	<b>880,624,284</b>	880,069,090
Non-current portion	<b>863,723,129</b>	863,280,330
Current portion	<b>16,901,155</b>	16,788,760

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. During 2025, the tenure of the financing was revised and the outstanding financing balance became payable in July 2029. Accordingly, the financing balance was disclosed as non-current. The facility limit was increased to ﷲ 760 million instead of ﷲ 650 million. An additional amount of the facility of ﷲ 27.29 million and ﷲ 54 million was utilized during 2025 and 2024.

## Al-Andalus Property Company

(A Saudi Joint Stock Company)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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

#### 10 ISLAMIC FINANCE FACILITIES (continued)

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 after one year from 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 193.1 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 SIBOR 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.

The Islamic finance facilities agreements contain financial covenants that should be maintained at certain thresholds, the Group monitor the compliance of the loan covenants and reconcile with the lending bank on timely basis in case of breach.

#### 11 EARNINGS PER SHARE

Basic and diluted earnings per share is 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.

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b>	31 March 2025
	<b>(Unaudited)</b>	(Unaudited)
Profit /(Losses) for the period	<b>1,768,490</b>	(834,078)
Weighted average number of outstanding ordinary shares	<b>93,333,333</b>	93,333,333
Basic and diluted earnings per share (ﷲ)	<b>0.02</b>	(0.01)

The diluted earnings per share is equal to the basic earnings per share for the periods ended 31 March 2026, and 31 March 2025 as there are no instruments with diluted impact on earnings per share.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)****For the three-month period ended 31 March 2026**

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

**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 the 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 condensed consolidated financial statements.

The details of transactions with related parties are mentioned below:

<b>Related party name</b>	<b>Relationship</b>	<b>Nature of the transaction</b>	<b>31 March 2026 (Unaudited)</b>	<b>31 March 2025 (Unaudited)</b>
Hayat Real Estate Company	Associate	Operating income and expenses paid on behalf	<b>887,800</b>	3,245,625
SNB Capital Company	Fund manager of a subsidiary	Operating Services	<b>4,699,291</b>	4,445,033

The details of balances with related parties are mentioned below:

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
<b>Due from related parties</b>		
Hayat Real Estate Company	<b>3,668,282</b>	2,780,481
	<b>3,668,282</b>	2,780,481
<b>Due to related parties</b>		
SNB Capital Company	<b>21,435,999</b>	16,770,459

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the three-month period ended 31 March 2026

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#### 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 entities engaged in providing hospitality service (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.

	<u>Retail sector</u>	<u>Hospitality sector</u>	<u>Office sector</u>	<u>Unallocated</u>	<u>Total</u>
<b><u>For the three-month period ended 31 March 2026</u></b>					
<b><u>(Unaudited)</u></b>					
Revenue	45,827,702	6,032,170	18,942,305	61,695	<b>70,863,872</b>
Cost of revenue	(12,233,689)	(6,431,177)	(5,161,989)	-	<b>(23,826,855)</b>
Share of loss from equity-accounted investees	-	-	-	(4,930,015)	<b>(4,930,015)</b>
Expenses	(18,556,113)	(205,556)	(10,889,286)	(4,522,306)	<b>(34,173,261)</b>
Allowance for expected credit loss	(1,617,954)	-	-	-	<b>(1,617,954)</b>
Other income	-	-	-	1,300,118	<b>1,300,118</b>
Profit before Zakat	<b>13,419,946</b>	<b>(604,563)</b>	<b>2,891,030</b>	<b>(8,090,508)</b>	<b>7,615,905</b>
<b><u>As at 31 March 2026 (unaudited)</u></b>					
Total assets	<b>738,555,939</b>	<b>148,676,781</b>	<b>762,382,465</b>	<b>539,465,009</b>	<b>2,189,080,194</b>
Total liabilities	<b>343,887,184</b>	<b>17,523,872</b>	<b>731,642,285</b>	<b>22,454,457</b>	<b>1,115,507,798</b>

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.

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**13 SEGMENTS REPORTING (continued)**

	<b>Retail sector</b>	<b>Hospitality sector</b>	<b>Office sector</b>	<b>Unallocated</b>	<b>Total</b>
<u>For the three-month period ended 31 March 2025 (Unaudited)</u>					
Revenue	37,860,290	4,409,192	14,138,381	-	56,407,863
Cost of revenue	(13,058,264)	(5,173,358)	(4,238,012)	-	(22,469,634)
Share of profit from equity accounted investees	-	-	-	(4,903,559)	(4,903,559)
Expenses	(15,055,404)	-	(11,073,939)	(5,644,276)	(31,773,619)
Allowance for expected credit loss	(435,610)	-	-	-	(435,610)
Other income	-	-	-	4,718,725	4,718,725
Profit before Zakat	<u>9,311,012</u>	<u>(764,166)</u>	<u>(1,173,570)</u>	<u>(5,829,110)</u>	<u>1,544,166</u>
<b><u>As at 31 December 2025 (audited)</u></b>					
Total assets	<u>727,571,415</u>	<u>147,270,268</u>	<u>732,800,770</u>	<u>548,253,929</u>	<u>2,155,896,382</u>
Total liabilities	<u>338,385,467</u>	<u>16,880,084</u>	<u>706,694,949</u>	<u>18,008,231</u>	<u>1,079,968,731</u>

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**For the three-month period ended 31 March 2026**

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

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**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 technique.

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 instruments.

The Group is exposed to risks as a result of using financial instruments. The following explains the Group'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, polices and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.

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**15 DISPOSAL OF SUBSIDIARY**

On February 27, 2025, the board of directors of the group approved to sale 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 February 27, 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 1<sup>st</sup> January 2025. The deal has resulted in a gain of ﷲ 3.9 million.

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

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

	<b>As at 1<sup>st</sup> January 2025</b>
<b><u>ASSETS</u></b>	
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
<b>Total assets</b>	<b>69,487,321</b>
<b><u>Liabilities</u></b>	
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
<b>Total liabilities</b>	<b>53,710,256</b>
<b>Net Assets</b>	<b>15,777,065</b>

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**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)
Other debit balance	(5,000,000)
Profit from disposal	3,956,055
Non-controlling interest	(4,733,120)
Disposal of subsidiary, net of cash disposed of	<u>7,232,006</u>
Consideration in received	15,000,000
Other debit balance	(5,000,000)
Cash and cash equivalent disposed	(2,767,994)
Proceed from disposal of subsidiary, net of cash disposed of	<u>7,232,006</u>

**16 DIVIDENDS**

On 30 March 2026, the Board of Directors of Al Ahli Reit Fund (1) (subsidiary) approved the distribution of dividend amounting to ﷲ 30.25 million (ﷲ 0.22 per unit) and ﷲ 9.45 million pertains to non-controlling interest.

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.

**17 SUBSEQUENT EVENTS**

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

**18 APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 20 Thul-Qi' dah 1447H (corresponding to 7 May 2026).