

Annual Report 2025

For you, the world.

DAR
ALARKAN



**KING SALMAN
BIN ABDULAZIZ AL SAUD**

The Custodian of the two
Holy Mosques



**PRINCE MOHAMMED
BIN SALAMAN AL SAUD**

Crown Prince
and Prime Minister

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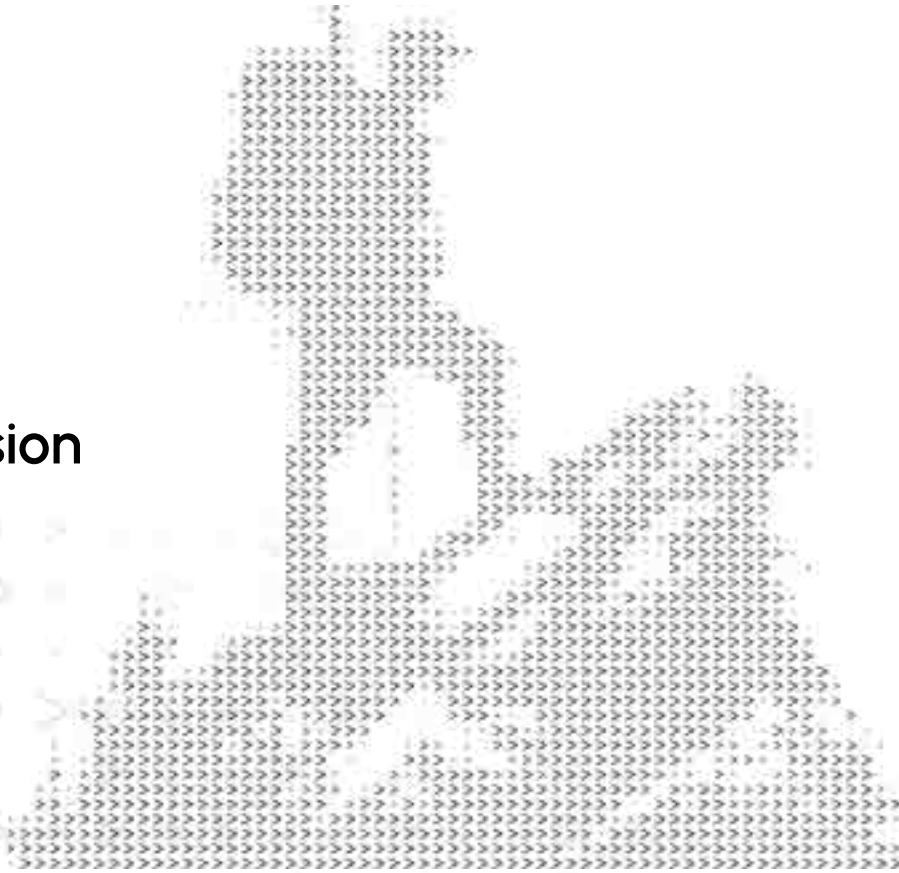
About



Dar Al Arkan

ABOUT DAR AL ARKAN

Our Purpose, Vision and Mission



PURPOSE

To support the urban expansion of Saudi cities and the access to homeownership for Saudi citizens.

Dar Al Arkan is a Saudi investment holding company built on long-term thinking and disciplined capital allocation. For more than 30 years, we have invested across real estate, land banking, financial services, and real estate-linked platforms that support sustainable economic growth. Our portfolio reflects a strategic approach to diversification, aligned with Saudi Arabia's economic vision and structured to generate enduring value across market cycles and generations.

VISION

To lead the future of real estate investment by turning strategic opportunities into lasting value.

MISSION

To shape economic growth through disciplined investment in high-value assets.

- Our Projects
- Our Offices



ABOUT DAR AL ARKAN

Locations

KSA

Riyadh

- Qurtoba
- Al Rabie
- Shams Ar Riyadh
- Ishbilyah
- Al Mesyaf
- Al Qasr Mall
- Al Munsiyah
- Al Falah
- Parisiana
- Al Tawoun
- Al Yarmouk
- Sedra Project
- Etoile by Elie Saab
- Neptune, Interiors by Mouawad
- Rayana

Buraidah

- Buraidah Hills

Jeddah

- Al Manar
- Golden Coast
- Shams Al Arous
- Qasr Khozam
- Trump Tower Jeddah
- Amaya
- Trump Plaza, Jeddah

Mecca

- Dar Al Mashaer
- Al Awali Villas

Yanbu

- Al Mourjan

Medina

- Naeem Al Jiwar

Dammam

- Juman Project
- Seashells Project

UAE

Dubai

- Urban Oasis by Missoni
- Da Vinci Tower by Pagani
- W Residences
- DG1
- D-Villas At Jumeirah Golf Estates
- Trump International Hotel & Tower Dubai

Ras Al Khaimah

- The Astera, Interiors by Aston
- Martin
- Top of the Astera

OMAN

Yiti and Yenkit

- Aida

QATAR

Doha

- Les Vagues by Elie Saab

SPAIN

Benahavis

- Tierra Viva, design inspired by Automobili Lamborghini

Cortisin

- Marea, Interiors by Missoni

Malaga

- Tabano

UK

London

- The Mulliner
- Oh So Close
- 8Min to Central

BOSNIA & HERZEGOVINA

Sarajevo

- Sidra

At a Glance



1994

Founded on 28 Dec 1994

2005

Dar Al Arkan becomes a joint stock company by ministerial decree number 1021

2007

Issuance of the first Sukuk in the value of \$600 million in Feb 2007 and maturing in Mar 2010, listed on the Dubai NASDAQ

Listing of Dar Al Arkan on the Saudi Stock Exchange Tadawul

2013

Opening of Al Qasr Mall in Riyadh

2017

Launching I Love Florence tower in Dubai as the first international project

2018

Launching Mirabila the first phase of Shams Ar Riyadh development in the Saudi capital

Issuance of 9th Sukuk in the value of \$500 million in Mar 2018 and maturing in Apr 2023, listed on the Irish Stock Exchange and Dubai NASDAQ

2019

Opening of 15 screen VOX cineplex in Al Qasr Mall

Issuance of 10th Sukuk in the value of \$600 million in Oct 2019 and maturing in Feb 2025, listed on the Irish Stock Exchange and Dubai NASDAQ

2020

Issuance of 11th Sukuk in the value of \$400 million in Feb 2020 and maturing in Feb 2027, listed on the Irish Stock Exchange and Dubai NASDAQ

Launched Verde, La Casa, Giovane and Palazzo in Shams Ar Riyadh

2021

Relaunch of Dubai tower under Urban Oasis by Missoni

Launch of new international projects: Dar Al Arkan Pagani Tower in Dubai and Aida in Oman

Handover of 1st plots in Shams Ar Riyadh

Became the leading company in the region by providing 3D construction technology (3DCP) for the first time in the Kingdom

2022

Launch of new international projects: Les Vagues in Qatar, W Residences in Dubai, Benahavis, Tabano and Finca Cortesin in Spain, and The Fourth Floor Flat of 149 Old Park Lane in London

Launch of new local projects: Sedra Project in Riyadh, Buraidah Hills in Buraidah and Commendatore Tower in Jeddah

Issuance of 12th Sukuk in the value of \$400 million in Jul 2022 and maturing in Feb 2026, listed on the Irish Stock exchange and Dubai NASDAQ

2023

Listing the shares of Dar Global PLC (indirectly wholly owned subsidiary of the Group) on the London Stock Exchange's main market for listed securities

Launch of Etoile in partnership with Elie Sabb in Sedra integrated community in Riyadh

Issuance of 13th Sukuk in the value of \$600 million in Jul 2023 and maturing in Feb 2029, listed on the London Stock Exchange and Dubai NASDAQ

2024

Commendable achievement of timely project progress of Etoile, distinguished Elie Saab villas at Roshan Sedra.

Resource mobilization fostering bilateral relationships with GCC banks.

Successful release of Shams Ar Riyadh for the Project development after two years of regulatory lattice.

Expansion of Projects through Dar Global in KSA. Neptune in Riyadh and Trump Tower in Jeddah.

Expansion of 3D printing projects reaching Aramco and Neom

2025

Successfully completed the Etoile Project, distinguished Elie Saab villas at Roshan Sedra and Buraidah Project in Q3 2025.

Handover of the villas in the Etoile Project is in progress.

Completed and recognized sale of Zones 4A and 4B of Shams Ar Riyadh.

Dar Group announced two very large projects in 2025 and officially launched them for sale in January in collaboration with Trump Organization.

- The Riyadh Project, at Diriyah, over a 2.7 million SQM
- The Jeddah Project, over 1 million SQM

Issuance of 14th Sukuk in the value of \$750 million in Jul 2025 and maturing in Jun 2030, listed on the London Stock Exchange and Dubai NASDAQ.

At a Glance

Capital

10.8 SAR Billion

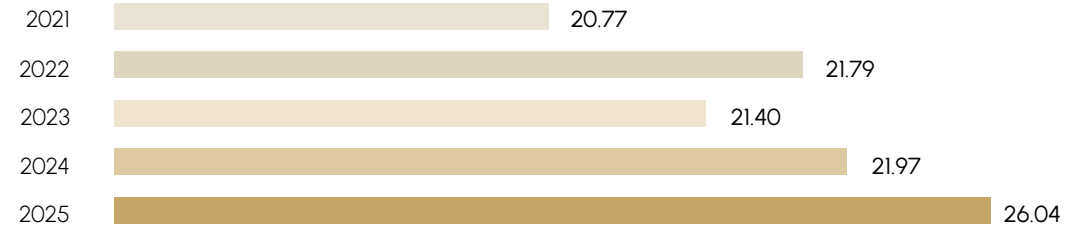
Assets

41.6 SAR Billion

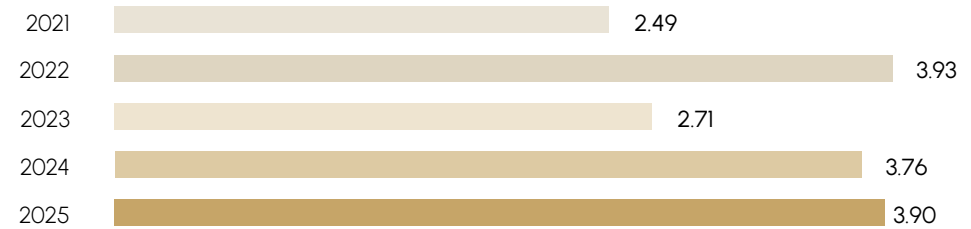
Book Value Per Share

20.60 SAR

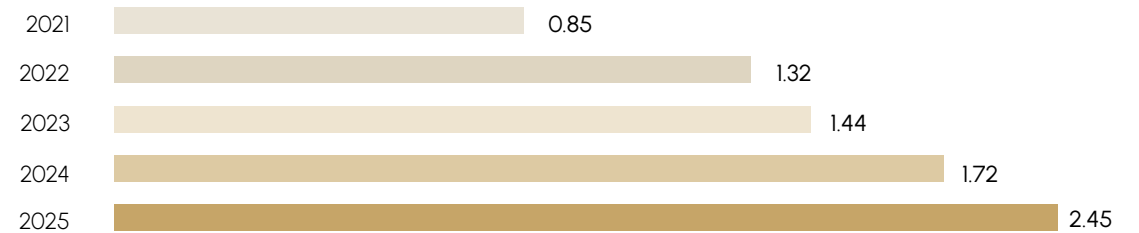
Investment and Development Properties (SAR Billion)



Revenue (SAR Billion)



EBITDA (SAR Billion)



Message of the Chairman



Message of the Chairman



Yousef Abdullah Al Shelash
CHAIRMAN

"2025 marks another year of strategic expansion, financial resilience, and disciplined value creation, reinforcing Dar Al Arkan's leadership in a transforming real estate landscape."

On behalf of the Board of Directors, I am pleased to present Dar Al Arkan's Integrated Annual Report for the year ended 31 December 2025.

The global economy continued its gradual stabilization during the year, despite persistent geopolitical tensions, elevated debt levels, and structural market shifts. Encouragingly, declining inflation and the easing of monetary policy across major economies - including interest rate reductions by the U.S. Federal Reserve - are expected to support global growth momentum into 2026 and beyond. International institutions project global growth of approximately 3.1% in 2026, reflecting improving macroeconomic conditions.

Against this backdrop, the Kingdom of Saudi Arabia continues to demonstrate resilience and strategic ambition. Under Vision 2030, the Kingdom is advancing structural reforms and large-scale investments designed to diversify the economy and stimulate sustainable growth. Preliminary estimates indicate real GDP growth of 4.6% in 2026, driven primarily by non-oil activities and private sector expansion. Controlled inflation and growing fiscal revenues further reinforce the Kingdom's economic strength and long-term development trajectory.

Within this dynamic environment, Dar Al Arkan continued to advance its long-term strategy with discipline and clarity. Our balanced business model, prudent capital management, and diversified development portfolio enabled us to capture high-

value opportunities while maintaining financial strength and operational resilience.

A defining feature of 2025 has been the expansion of our premium development pipeline through landmark projects and strategic partnerships. We strengthened our collaboration with ROSHN, a Public Investment Fund entity, through the development of 200 luxury villas within the SEDRA community in Northern Riyadh - marking our second partnership project and reinforcing alignment with national housing objectives.

Through our international arm, Dar Global, we continued to elevate our global presence. Construction progressed on Trump Tower Jeddah, a flagship luxury development designed to set new benchmarks in premium urban living. In addition, two prestigious projects - Rayana in Diriyah and Amaya in Jeddah - were officially announced in collaboration with the Trump Organization, and launched in early 2026. These transformative developments reflect our confidence in the Kingdom's long-term growth story and its emergence as a global lifestyle and investment destination.

Sustainability remains central to our governance framework and long-term value creation strategy. In 2025, we formalized key position statements reinforcing our commitments to environmental stewardship, health and safety excellence, and the highest standards of ethical and responsible business conduct. These formalized commitments further strengthen our governance architecture

and ensure that ESG considerations are systematically embedded into strategic oversight, investment decisions, and operational processes.

The Board remains steadfast in its commitment to transparency, disciplined oversight, and sound governance practices. Our responsibility is to safeguard stakeholder interests while positioning the Company to capture opportunities arising from national transformation initiatives, including Expo 2030 and the 2034 FIFA World Cup. These landmark events are expected to accelerate infrastructure development, stimulate investment flows, and reinforce long-term demand across the Kingdom's real estate sector.

I extend my sincere appreciation to our shareholders, partners, customers, regulators, and employees for their continued trust and support. With a strong financial foundation, a high-quality development pipeline, and a clear strategic direction, Dar Al Arkan is well-positioned to deliver sustainable growth and enduring value in 2026 and beyond.

Strategic



Review

Message of the Chief Executive Officer



Anand Raheja
CHIEF EXECUTIVE OFFICER

"2025 has been defined by disciplined execution, portfolio expansion, and the successful advancement of transformative developments that position Dar Al Arkan for its next phase of growth."

In 2025, Dar Al Arkan continued to demonstrate operational excellence and strategic agility in a competitive and evolving market environment. Our focus remained clear: execute efficiently, expand selectively, and deliver developments that reflect innovation, quality, and long-term value.

Domestically, we advanced major residential and mixed-use communities aligned with the Kingdom's urban transformation agenda. Increased project activity during the year reflects both portfolio expansion and progression across construction phases - from early works to structural and finishing stages - naturally influencing operational intensity and resource deployment.

A major milestone was the strengthening of our partnership with ROSHN through the development of 200 luxury villas within the SEDRA master community in Northern Riyadh. This project reinforces our commitment to supporting national housing objectives while delivering premium residential offerings. Internationally, through Dar Global, we continued expanding our footprint in high-growth luxury segments. Construction advanced on Trump Tower Jeddah, a landmark development set to redefine premium waterfront living. In parallel, the announcement and January 2026 launch of Rayana in Diriyah and Amaya in Jeddah represent two of the most prestigious developments in our history. Rayana spans 2.7 million square meters and will feature an 18-hole championship golf course, hotel, clubhouse, and 566 luxury mansions. Amaya, covering 1 million square meters, introduces an ultra-luxury mixed-use concept including premium commercial and

hospitality components. These projects underscore our ability to deliver globally branded destinations while maintaining disciplined execution standards.

Innovation remains central to our operational strategy. Our collaboration with Saudi Aramco on 3D concrete printing (3DCP) projects - including the Riyas Gas Plant mosque and buildings at Jafura - represents a breakthrough in advanced construction technologies and local talent development. These initiatives enhance efficiency, reduce construction timelines, and position Dar Al Arkan at the forefront of technological transformation in the sector.

Financial discipline continued to underpin our performance. Strong revenues, healthy margins, and a solid liquidity position enabled us to fund large-scale developments while maintaining a balanced capital structure. Our disciplined capital allocation framework ensures that growth ambitions are matched with financial prudence and long-term stability.

Sustainability integration advanced meaningfully during the year. We formalized our Environmental Position Statement, reinforcing our commitment to responsible resource management, environmental stewardship, and climate resilience across all stages of development. Continued monitoring of energy consumption, waste generation, and water use across projects and operations strengthened performance visibility and accountability. Importantly, the transition away from diesel generators toward grid electricity marked a key operational milestone, contributing to a reduction

in direct (Scope 1) greenhouse gas emissions and reflecting our focus on improving the environmental efficiency of our activities as the business continues to grow.

Looking ahead to 2026 and beyond, Dar Al Arkan is entering a new phase defined by scale, brand elevation, and strategic partnerships. With a robust pipeline, expanding international presence, and strong alignment with Vision 2030, Expo 2030, and the 2034 FIFA World Cup, we are well-positioned to capture sustained demand across residential, mixed-use, and luxury segments.

Our success is driven by the dedication of our employees, the trust of our investors, and the strength of our partnerships. As we move forward, we remain committed to disciplined growth, operational excellence, and responsible development - shaping communities that create lasting economic, social, and environmental value.

Corporate Strategic Pillars

Dar Al Arkan operates across the full real estate value chain, encompassing real estate investment, land management, financial services, and real estate-related platforms. Leveraging its long-standing presence and deep expertise in the Saudi market, the Company is committed to supporting sustainable economic growth and delivering long-term value.

Activate and monetize our substantial land bank to generate superior returns

- We hold a land bank with a national footprint.
- We aim to leverage our land bank and maximize returns across cycle.

Maximise shareholder value

- As a leading publicly listed company on the Saudi Stock Exchange, Dar Al Arkan strives to deliver superior returns to its shareholders, while not losing sight of stakeholders at large.

Innovation is at the core of our identity

- In product, delivering aspirational living environments.
- In distribution, applying cutting edge marketing tactics.
- In structures, providing comprehensive financial solutions.

Attract and retain top talent

- Nothing can be achieved without the work ethic and dedication of our loyal employees.
- We strongly believe that the human capital as a core driver of sustainable growth for both Dar Al Arkan and the Kingdom of Saudi.
- We actively support female inclusion in the work force and are proud of our track record, in line with Kingdom's Vision 2030 commitment to empowering women and maximizing human capital.
- We offer career progression and training opportunities to our employees.

Adaptability to changing environment

- Constantly research and analyze the market to anticipate changes in housing demands, commercial space needs, and investment patterns.

Our focus is to offer premium living experience to our clientele

We aim to be the real estate partner of choice for Saudi and global investors, be it for their primary residence, or further afield as they seek second homes or attractive investment returns.

Expanding footprint in collaboration with luxury brands

- To enhance stakeholder value, Dar Al Arkan continues to increase its presence in collaboration with regional and global experts and luxury brands to build quality real estate developments and services.

Maintain a disciplined and efficient capital structure supported by excellent relationships with the debt capital markets

- A conservatively run balance sheet with emphasis on liquidity and flexibility.
- We have pioneered the corporate debt capital markets in Saudi and continues its partnership with global Sukuk investors to support access to growth capital.

Our Operating Model

Land transactions

- Acquire large strategic land properties with a long-term vision of the direction and trends of Urban development in key cities.
- Add value to raw land through infrastructure works and master planning before farming out to brokers and smaller developers.

Asset management portfolio

- Manage Al Qasr Mall, our flagship retail asset in Riyadh.
- Manage the commercial, office and retail assets in the mixed use Parisiana Development.

Development portfolio

- **Acquire** or earmark plots for development.
- **Design:** Concept, master plan and detailed.
- **Build:** Project, manage contractors with emphasis on cost control and quality standards.
- **Sell:** Direct sales force as well as agency sales to deliver an off-plan sales model.

Our Brand Values

Forward Vision

- We identify value before the market does, shaping investments that anticipate demand, not follow it.

Strategic Precision

- We time every move with discipline, aligning our investments with real estate market cycles and real-world growth.

Enduring Impact

- We build for legacy. Our focus is long-term wealth creation that stands strong across generations.

What We Do

As a real estate investment and asset management firm based in Saudi Arabia, we invest with focus, manage with precision, and build for the long term. Our portfolio spans three core pillars:

Income Generating Real Estate

- We invest in residential, retail, and hospitality assets that deliver reliable returns, across Saudi Arabia and selected international markets.

Strategic Land Holdings

- We acquire and manage land in high-growth corridors, holding it for future value creation through partnerships and urban expansion.

Strategic Joint Ventures – Master Communities

- We develop and steward large-scale communities designed to support integrated living, infrastructure, and long-term economic value, contributing to the creation of sustainable and vibrant urban environments.

Equity in Real Estate-Aligned Companies

- We invest in and build specialized businesses that strengthen and expand the Group's ecosystem—spanning interior design, construction, engineering, financial services, and global development platforms.

Capital & Financial Solutions

- Through strategic investments in Sharia-compliant financial services, we support access to capital, liquidity, and long-term investment solutions for individuals, investors, and partners.

Growth Avenues

Dar Al Arkan's Business Development team anchors the way by building a robust pipeline of real estate opportunities that energizes and support consistently successful project launches.



Opportunity Identification

- Systematic identification and assessment of strategic and value-accretive real estate development opportunities.
- Identify "white lands" for joint development potential.
- Proactively identify stalled projects that require strategic project restructuring to unlock value.
- Develop live master tracker of development land targets.
- Collaborate with government and semi government entities on mega or giga development projects.



Strategic Project Targeting

- Conduct research, pre-feasibility, HBU study screening, detailed feasibility analysis, due diligence and opportunity weighing.
- Undertake investor and organizational engagement and relationship development.
- Perform feasibility studies to confirm procurement and development options of:
 - JDA, BOT, BLT, DBOT, DFOT.
- Identify, integrate and deploy modern methods of construction for selected project opportunities to accelerate delivery, improve cost certainty, and enhance long-term asset performance.
- Seeking potential partnership opportunities.



Project Closure Process

- Identify opportunities from private and government sectors.
- Cursory evaluation of leads by articulating long-term "win-win" strategies for stakeholders.
- Implement standardized commercial and legal development framework to ensure consistency, reduce risk and maximize value across projects.
- Select the right partners and/or suppliers for each opportunity to ensure successful project execution and sustainable outcomes that align with company's ESG goals and reporting requirements.
- Deal execution, performance tracking to ensure timely delivery within the allocated budget and obtain Project Completion Certificate from relevant authorities.
- Financial close-out of all project costs and complete handover to buyers.
- Monitor and rectify defects during the Defects Liability Period (DLP), conduct final inspections at DLP expiry and issue Final Completion Certificate.



Modern Methods of Construction

- In partnership with COBOD, a global leader in modular 3D construction printing, Dar Al Arkan was the first developer in the Kingdom and the region to introduce the 3D Concrete Printing (3DCP) to the real estate market. This advanced technology enables the efficient construction of large-scale residential units and is operated entirely by Saudi nationals. The adoption of 3DCP enhances construction quality, efficiency, and scalability, while contributing to the development and empowerment of local talent.
- Following the completion of the first two 3DCP mock-up villas at the Shams Ar Riyadh Project in 2022, Dar Al Arkan successfully delivered a drive-through café and four accommodation pods in 2023 for Neom. In 2024, Dar secured Saudi Aramco approval as the sole approved vendor for 3DCP and delivered 2 projects: a mosque on Abu Ali Island and two chemical shelters at the Zuluf plant.
- In 2025, Dar Al Arkan continued its collaboration with Aramco, setting a new benchmark by 3D printing a 480 m² mosque at the Riyas Gas plant and delivering two buildings at Jafura.



New Project Launch

Aligned with the company's overall strategy of working closely with government initiatives and entities to support VISION 2030 and enhance the quality of life in Saudi Arabia, Dar Al Arkan continued to strengthen its relationship with ROSHN (a PIF entity), by signing an additional project to develop 200 luxury villas within ROSHN's flagship Northern Riyadh Project, SEDRA, through its international arm Dar Global. The agreement was signed in March 2024 and work has already commenced. This marks the second project of Dar Group in partnership with ROSHN.

The Group announced the development of the prestigious Trump Tower Jeddah, strategically located in a prime area and designed to offer premium features and an elevated living experience. The project is currently under construction and is being developed through the Group's international arm, Dar Global, in collaboration with Trump Organization.

The Group announced two very large and prestigious projects in 2025, located in Riyadh & Jeddah, in collaboration with the Trump Organization. The projects were officially launched on January 11, 2026.

Rayana Project, Diriyah - Riyadh, on a total area of 2.7 million sqm, the project includes 18-hole championship golf course, Trump Hotel, Trump Clubhouse, and 566 mansions. The project will be developed through the Group's international arm, Dar Global, in collaboration with the Trump Organization.

Amaya Project, Jeddah, on a total area of 1 million sqm, the project features an ultra-luxury Trump Plaza comprising of premium commercial offices, furnished luxury apartments and unfurnished residential town houses and apartments.

Dar Al Arkan Living



Projects

National Projects

Dar Al Arkan is a distinguished leader in creating integrated master plan communities that feature a mix of residential, commercial and retail developments across the kingdom.

Shams Ar Riyadh

RIYADH, SAUDI ARABIA

Shams Ar Riyadh targets the growing and underserved middle to upper-middle segments of the market while forging partnerships with major fashion brands like Roberto Cavalli, Versace, and Elie Saab to bring iconic luxury living to the Kingdom. The project offers fully integrated living experiences that include opulent residential, commercial, hospitality, entertainment, sporting, health care, and educational segments. The master plan focused on creating a harmonious interaction with the valley "Wadi Hanifa" that brings magnificent panoramic views and offer numerous public paths to enjoy this unique location.

Shams Ar Riyadh is one of the largest mixed-use development projects ever initiated in the Kingdom, strategically located in the growing northwest of Riyadh that overlooks the picturesque Wadi Hanifa. The initial footprint comprised of a total area of approximately five million sqm and it is divided into five zones. Dar Al Arkan is developing the remaining four zones (zone 1, 3, 4 & 5), over an area of 3.1 million sqm after the sale of 1.8 million sqm of zone 2 to SABIC for employee housing.

The remaining zones are being sold directly off-plan to end buyers under the WAFI program and the infrastructure works are ongoing. The updates of the four zones as of December 31, 2025, are provided below:





Current Status

Following the announcement of the Murabaa Project in 2022, the land of the Shams Ar Riyadh Project was placed under embargo. The embargo was lifted by the government in the fourth quarter of 2024.

The authorities are currently in the process of acquiring Zones 4A and 4B from individual landowners at fair market values as determined by the authorities and agreed upon by the respective owners. Dar Al Arkan has collected the related proceeds and has recognized substantially all revenues associated with Zones 4A and 4B.

In accordance with the release of the Shams Ar Riyadh Project, ownership of Zones 1, 3, and 5 has been restored to the Company's control for business use. The Company will complete the development of these zones and deliver the projects to end customers in line with the terms of the signed WAFI agreements.

Infrastructure Execution Progress

As of December 31, 2025, the infrastructure works

for Zones 1, 3 and 5 were 57.5% complete. The Company is in the process of reviving the relevant approvals to proceed with remaining last mile infra work for these Zones.

3D Printed Mock-Up Villas

Dar Al Arkan completed the kingdom's first two-story villa constructed using 3D construction printing (3DCP), standing 9.9-m tall, within the Shams Al Riyadh residential development. This villa is considered as one of the largest 3D printed concrete villas. The villa was constructed using locally sourced materials, including cement, sand, rocks and stones, with varying concentrations to ensure structural strength that is four times greater than that of a traditional construction. In addition, Dar Al Arkan completed a second two-storey 3D printed villa of 280 sqm in 26 working days.

Dar Al Arkan switched to 3DCP technology in Q4 2021, reinforcing its commitment to advancing sustainable and innovative construction practices while supporting the goals of Saudi Vision 2030 related to economic diversification and digitalization.

3DCP reduces the construction time by more than half, offers greater flexibility, and requires less manpower as it takes only three workers to build one house. This, in turn, has contributed to a reduction in Lost Time Injuries, thereby creating a safer workplace. Additionally, as the technology requires less concrete to complete a building, it enhances sustainability and provides a more viable low-carbon solution for the construction industry.

→ Aramco Projects in 2024 and 2025

Dar al Arkan strengthened the collaboration with Aramco and delivered 4 of-a-kind projects:

- Aramco-Abo Ali Mosque: In collaboration with SRACO-Saipem, the first mosque was 3D printed in 7 weeks, with a BUA of 220 m², located in Jubail industrial city.
- Aramco-AI Zuluf: In collaboration with ARCC and JGC, 2 chemical shelters were 3D printed in 10 days only, each with a BUA of 180 m².
- Aramco Riyas NGL Mosque: In collaboration with Sinohydro, the largest 3D printed mosque was completed in mid- 2025, with a BUA of 480 m² in Riyas.

- Aramco Al Jafura buildings: In collaboration with Hyundai Engineering, 2 training buildings were printed and completed in November 2025.

→ Neom Projects

In collaboration with the Design and Construction (D&C) division of Neom, Dar Al Arkan printed several bobs with different designs to accommodate senior engineers and management at Neom camps. The project implemented first-of-its-kind innovative construction methods, starting from 3D printing, the use of GRFP rebars instead of steel, to a modular approach of printing full units offsite and transported them to different sites.

- In addition, carried out numerous offsite printings for drive through coffee kiosks in collaboration with Barns, to plant bots and street furniture with Cenomi Centers, Dar Al Arkan Projects and Roshn.



Dar Al Mashaer

MAKKAH, SAUDI ARABIA

Dar Al Mashaer, originally known as Al Azizia Towers, is a seven-tower complex, leased previously to King Abdullah Medical City for over a decade. After taking possession from the tenants in 2021, the Company undertook a complete overhaul refurbishment of the entire complex to update to the modern features and service facilities, the refurbishment was completed in Q2 2023. With the refurbishment completed to a high standard, this project is offered for sale under a new brand name Dar Al Mashaer.

The Project is in the Southern Azizia District on Prince Sultan bin Abdulaziz (Al-Hada Rd.), spread across 6,300 sqm land area and only an 8-minute drive from the Holy Mosque, positioned as a key property offering in the region.

The 7 redesigned towers of Dar Al Mashaer provide a diverse range of residential and commercial offerings. With 314 apartments (including 6 penthouses) and 6 retail units, the complex is designed to cater to various lifestyle needs, combining modern living with convenience. The amenities include 24-hour security, a children's play area, and gyms, in addition to a variety of retail shopping experiences from supermarkets to exclusive stores and cafes. A significant number of customers have already moved into their Al Mashaer dream homes.



Etoile by Elie Saab

SEDRA - RIYADH, SAUDI ARABIA

The Etoile Project, being developed by Dar Al Arkan in the northern part of Riyadh, is a prominent component of a larger master development on the Serviced Plots. The project will feature three blocks of villas, with a total of 163 villas spread across 163 serviced plots, covering an area of 45,544 sqm. This residential development is designed to provide high-quality living, with the infrastructure to be supplied by the master developer.

The project consists of three Zones and features seven villa typologies with exclusive branding with Elie Saab, adding a touch of luxury and elegance to the project. The plot sizes range from 200 to 400 sqm and the total built-up area of the project spans 54,653 sqm. The major infrastructure development phase was completed in 2023 by the Master Developer (ROSHN).

Status – The construction works commenced in Q2 2023 and were substantially completed as of December 31, 2025. The project has progressed to the handover and title deed transfer formalities stage.





Qasr Khozam

JEDDAH, SAUDI ARABIA

Khozam Real Estate Development Company, referred to as "Khozam", is a Joint Venture limited liability company, established between Jeddah Development and Urban Regeneration Company (33.5% equity owner) and Dar Al Arkan (66.5% equity owner). The company is based in Jeddah.

The development will cover a land area of 4,129,492 sqm, divided into five phases. It will include a blend of mixed-used buildings, commercial zones, touristic sites and supporting facilities. The project introduces a living concept featuring comfortable,

affordable dwellings of G+7 buildings, complemented with all necessary facilities and commercial areas to serve local community.

Status - The infrastructure design for Phase I was completed in 2021, and the contractor was appointed. In addition, the concept design for the G+7 prototype building has been finalized and approved, waiting for the final approvals to commence Phase I construction.



Shams Al Arous

JEDDAH, SAUDI ARABIA

Shams Al Arous is a master-planned integrated community project located in the eastern part of Jeddah city and is designed to offer a best-in-class living experience with a wide range of amenities.

The site is conveniently located to the east of Jeddah, about 5 km from the intersection of Palestine Road and Al-Harmain Road, which ensures easy accessibility to key areas of Jeddah's commercial and cultural hubs. This prime location allows residents to enjoy a tranquil, suburban lifestyle without being disconnected from the vibrant energy and amenities of the city. This integrated

community will include residential and mixed-use buildings, with plans to feature schools, commercial centers, beautifully landscaped green spaces, government offices, and mosques. The project covers a total land area of 863,000 sqm and offers 821 plots.

Status - The project is significantly completed in Q1 2024 except for minor snag items pending at the time of handover. The hand over of the sites to customers is underway. Till Q4 2025, 468 units have been released and SA executed for 277 units, available for sale is 191 units.



Juman Project

EASTERN PROVINCE, SAUDI ARABIA

The Juman Project development is in the Eastern Province, offering breathtaking views of the Arabian Gulf. The land area spans 8,200k sqm. The Dar Al Arkan is the master developer of the project with a 18% stake in the JV.

The project is designed to become a premier waterfront destination, catering to luxury residential, leisure, and MICE (Meetings, Incentives, Conferences, and Exhibitions) needs, with a focus on serving the upper-middle to upper-upper luxury segments. Phase 1 spans approximately 3 mn sqm

and includes a very shallow reclamation development intended for a luxury resort.

Status - All relevant no objection certificates have been secured, and the revised master plan design has been submitted to the Eastern Province Development Authority for approval.



Buraidah Hills

QASSIM, SAUDI ARABIA

Buraidah Hills, located in Buraidah City within the Al-Qassim province, is an upscale residential community offering a mix of high-end villas, residential units, and designer plots. The community's exclusive nature and premium offerings contribute to its appeal in the region, designed to cater to customers seeking luxury living in a well-planned environment.

Buraidah Hills is an authentic community, surrounded by premium amenities that enhance the quality of life for its residents. The development features a variety of plot sizes, catering to different needs and preferences,

and each plot is equipped with the highest quality infrastructure. The total number of units is 405. The project offers a wide range of recreational activities to foster a vibrant community lifestyle. The development includes commercial spaces, schools, markets, mosques, green spaces, gardens, walkways, and bike paths.

Status - Infrastructure works commenced on May 1, 2022, and were substantially completed as of December 31, 2025. The project has progressed to the handover formalities stage.

Property Management and Leasing

Parisiana

RIYADH, SAUDI ARABIA

Located in Riyadh's Al-Suwaidi district, Dar Al Arkan's Parisiana leasing community represents a landmark residential development within the Kingdom. The project features contemporary design and spacious layouts, developed to serve middle-income families alongside government and corporate tenants.

The project's strategic location adjacent to King Fahad Road ensures direct connectivity to major government institutions and central business districts, enhancing its long-term investment appeal. This strategic advantage, combined with strong market demand, translated into outstanding leasing performance, achieving 100% occupancy as of 31 December 2025.



Qasr Mall

RIYADH, SAUDI ARABIA

Al Qasr Mall is a leading retail and entertainment destination serving residents in central, southern, and western Riyadh. Spanning over 235,000 square meters, the mall offers a diversified tenant mix anchored by a Carrefour hypermarket, a 15-screen VOX Cinema, Yalla Bowling, family entertainment attractions, and a wide range of international fashion and food and beverage brands. Designed as a modern, spacious, and family-oriented environment, the asset continues to evolve its offering through the addition of new tenants and concepts to meet the needs of a broad customer base.

The mall delivered strong operational performance, achieving a 99.5% occupancy rate as of 31 December 2025. Performance was supported by ongoing tenant mix optimization and the introduction of notable brands across retail, dining, and lifestyle segments. During the year, the mall enhanced its tenant mix through the addition of several new brands in pharmacy, fashion, lifestyle, and specialty F&B brands, supporting sustained footfall growth and tenant diversification.

Enhancing visitor experience remains a key strategic focus. With standout attractions like the region's largest Billy Beez (3,188 sqm), an ice-skating rink, a ninja obstacle course, and the 5,000 sqm Spanish Home, the mall drew approximately 7 million visitors in 2025, reinforcing its resilient, high-performing retail asset within the portfolio.

Aligned with its ESG commitments, Al Qasr Mall actively supports community well-being through partnerships with government-led social initiatives and the integration of on-site healthcare services, reinforcing its role as a socially responsible community asset.



Major Brands in Qasr Mall





Dar Global

INVEST IN LUXURY

Dar Global was established in 2017 as the international arm of Dar Al Arkan, with the objective of diversifying the company's asset portfolio by capitalizing on niche opportunities in the real estate development market. Initially operating as an indirect subsidiary with a handful of projects, Dar Global has since evolved into a well-positioned, publicly listed company with an estimated Gross Development Value (GDV) of SAR 71.3 billion (USD 19 billion). Following its listing, Dar Group retained its investment in the entity to benefit from Dar Global's strong growth trajectory and to benefit from the continued expansion of its expansion in the real estate markets.

Dar Global is a highly differentiated international real estate business that specializes predominantly in developing second homes for affluent global citizens. The company focuses on creating exceptional living experiences by collaborating with iconic brands, ensuring each project offers a unique and luxurious lifestyle in the most desirable locations across the Gulf Cooperation Council (GCC), UK, Maldives, and Europe.

On 28th February 2023, Dar Global PLC, an indirectly wholly owned subsidiary of the Dar Al Arkan, listed its shares on the London Stock Exchange's main market for listed securities. Following a private placement of new shares by Dar Global PLC, the Dar Al Arkan's ownership interest was diluted from 100% to 88%. Consequently, the Dar Al Arkan no longer holds controlling interest in the Dar Global PLC according to listing requirements. However, it still retains significant influence. Therefore, the investment in Dar Global PLC has been reclassified as an associate and accounted for under the equity method.

Below is an update of ongoing projects.

LEADING THE INDUSTRY

First Saudi-Born Company,
Listed on the LSE Main Market

Neptune, Interiors by Mouawad

RIYADH, SAUDI ARABIA

Neptune Villas offers a refined integration of high end design and residential living in North Riyadh. This exclusive villa collection is developed in collaboration with Mouawad, the internationally recognized luxury jewellery house known for its longstanding heritage and exceptional craftsmanship. The project reflects Mouawad's distinguished design ethos, bringing a sophisticated and timeless aesthetic to each residence.

Status - The project was launched in Q4 2024 and is currently under construction, with scheduled completion in Q4 2027. The total number of units is 200.





Trump Tower Jeddah

JEDDAH, SAUDI ARABIA

Trump Tower Jeddah is our first project in Jeddah and second in Saudi Arabia, located along the iconic Jeddah Corniche. With 561 exclusive residences, the tower reflects the excellence and sophistication of the Trump brand, offering contemporary design, high-end finishes, and world-class amenities. Its prime waterfront location and thoughtfully designed living spaces set a new benchmark for luxury living in the city.

Status - The project was launched in Q4 2024 and is currently under construction, with scheduled completion in Q4 2029. The total number of units is 561.



Trump Plaza

JEDDAH, SAUDI ARABIA

Trump Plaza Jeddah is strategically located on King Abdulaziz Road within the Amaya master development. The development features fully furnished, Trump-branded residences, designed and delivered to international standards of quality, finish, and service.

Status - The project was launched in Q4 2024 and is currently under construction, with scheduled completion in 2030.





Rayana

RIYADH, SAUDI ARABIA

Rayana is Dar Global's premium residential enclave within Wadi Safar, designed around hospitality, golf, and a limited collection of private mansions. The development comprises both Trump branded and non branded ultra luxury mansions. Each residence is delivered with a complete architectural shell, enabling owners to customize all internal spaces according to their individual lifestyle and specifications. The masterplan includes the Trump Championship Golf Course, Trump International Hotel, and Trump International Golf Club. Rayana is located near Diriyah and the royal district, surrounded by established golf, equestrian, and wellness amenities.



Status - The project was under discussion during 2024 and 2025 and was launched in Q1 2026. The Rayana project is currently under construction, with completion scheduled for 2030.

Amaya

JEDDAH, SAUDI ARABIA

Amaya is one of the flagship real estate development opportunities in central Jeddah, encompassing approximately one million sqm of construction-ready land with full infrastructure and excellent connectivity to key districts via King Abdulaziz Road. The project is anchored by Al-Amal Avenue, connecting the Historic Old City with King Abdulaziz Road. The masterplan incorporates shaded streets, landscaped areas, and walkable green environments. The project offers flexible plots suitable for residential, commercial, or mixed-use development. With its prime location, ready infrastructure, and proximity to major citywide upgrades, Amaya presents a strong investment opportunity with long-term value potential.

Status - The project was under discussion during 2024 and 2025 and was launched in Q1 2026. The Rayana project is currently under construction, with completion scheduled for Q4 2029.



Urban Oasis by Missoni

DUBAI, UAE

The Urban Oasis Tower is a 34-storey residential development located on the Dubai Canal, featuring bespoke apartments with interiors designed in collaboration with Missoni, the Italian fashion designer. It features the region's first-ever bespoke Missoni-inspired living spaces, offering residents a unique fusion of high-end fashion aesthetics and modern comfort. Urban Oasis represents Dar Global's first completed project, underlining its ability to successfully execute large projects.

Status - The project was launched in Q3 2021 and completed in 2024, with a total of 467 units.





Da Vinci Tower by Pagani

DUBAI, UAE

Da Vinci Tower is a residential development featuring interior design by Pagani, located in the heart of Downtown Dubai, strategically positioned along the canal in the Business Bay district. The tower incorporates a distinctive façade defined by geometric architectural elements intended to create a visually dynamic exterior. The development is designed to present a modern residential environment with a focus on high end finishes and contemporary design aesthetic.

Status - The tower comprises three basement levels, a ground floor, and 19 residential floors offering 85 luxury apartments. The project was launched in Q1 2022 and has been fully completed.

W Residences Dubai - Downtown

DUBAI, UAE

W Residences Dubai - Downtown is a branded residential development associated with the W Hotels portfolio. The project is in Downtown Dubai, near major landmarks including the Burj Khalifa, The Dubai Mall, and the Dubai Fountain. The development is positioned to provide residents with immediate access to the surrounding amenities and transport networks within the Downtown area.

Status - The project was launched in Q1 2022 and is currently under construction, with scheduled completion in Q2 2027. The total number of units is 383.





DG1

DUBAI, UAE

DG1 marks Dar Global's first own-branded development in Business Bay, Dubai. The 20-storey project offers direct connectivity to key city landmarks, including the Burj Khalifa, The Dubai Mall, and Dubai Opera. The building features a contemporary architectural design with an emphasis on functional planning and aesthetic detailing. The development forms part of a well established mixed use district with access to retail, dining, and leisure facilities.

Status - The project was launched in Q1 2023 and is currently under construction, with scheduled completion in Q2 2027. The total number of units is 249.

Trump International Hotel & Tower

DUBAI, UAE

Trump International Hotel & Tower Dubai is the first Trump-branded mixed use development in the Dubai. The project comprises a five star hotel, private residential units, and an exclusive members' club within a single integrated address. Each component has been designed to support high quality living, leisure, and business requirements. Located in a prime position with direct connectivity to Downtown Dubai, the development offers uninterrupted views from every unit, including vistas of the sea and the Burj Khalifa.

Status - The project was launched in Q2 2025 and is currently under construction, with scheduled completion in Q4 2031. The total number of units is 574, inclusive of hotel keys.





D-Villas at Jumeirah Golf Estates

DUBAI, UAE

D Villas is a residential development located within Jumeirah Golf Estates, one of Dubai's established master communities. The project is situated adjacent to the community's landscaped green areas and in proximity to its two championship golf courses. Residents have access to the wider Jumeirah Golf Estates amenities, including leisure, dining, and fitness facilities, subject to community regulations. The location offers convenient connectivity to major city landmarks through key road networks, providing access to Dubai's primary business, retail, and lifestyle destinations.

Status - The project was launched in Q1 2025 and is currently under construction, with scheduled completion in Q2 2028. The total number of units is 210.



The Astera, Interiors by Aston Martin

RAK, UAE

The Astera by Aston Martin is a stunning beachfront residence on Al Marjan Island, Ras Al Khaimah, where Aston Martin's signature elegance meets modern coastal living. Offering luxurious one to three-bedroom apartments and exclusive three-bedroom beach villas, each home is designed with breathtaking Gulf views and world-class amenities. With direct beach access, an infinity pool, and a private cinema, The Astera promises a lifestyle of sophistication and serenity in one of the UAE's most exciting waterfront destinations.

Status - The Astera was launched in Q2 2024 and is currently under construction, with scheduled completion in Q4 2028. The total number of units is 280.





Sidra

SARAJEVO, BOSNIA

Dar Al Arkan is the master developer of a project land in Bosnia. It is the largest single real estate development project in the country. The site is situated in Ravne, Vares, 38 km outside Sarajevo, the capital of Bosnia.

This beautiful, gated community in the heart of Bosnia is equipped with private residential plots, a range of exceptional holiday activities, and first-class amenities. The lot areas at Sidra range from 350 to 6,767 square meters, each one meticulously designed and overlooking breathtaking landscapes all year long.

Total project land area of Sidra project is 539k sqm, and the infrastructure works are currently underway.



AIDA

YITI AND YENKIT, OMAN

AIDA is a breathtaking luxury development set on the dramatic cliffs of Muscat, offering an unparalleled blend of natural beauty and refined living. Spanning 4.3 million square meters, this visionary project will be developed over 8 to 10 years and launched in 10 phases and this exclusive community will have home to luxurious residences, a world-class Trump golf course, and premium hospitality experiences. Designed to harmonise with Oman's stunning landscapes, AIDA seamlessly merges modern elegance with the serenity of its coastal surroundings. With thoughtfully crafted villas and apartments boasting panoramic views, along with exceptional amenities, AIDA offers a one-of-a-kind lifestyle where luxury meets nature's masterpiece.

Status - The project was launched in Q1 2023 and is currently under construction. Phase 1 is expected to be completed in Q4 2027, Phase 2 in Q4 2029, and the entire master plan by 2034. The total number of units launched is 1,604.





Les Vagues by Elie Saab

DOHA, QATAR

Les Vagues by Elie Saab is a residential development comprising five towers located on Qetaifan Island North in Lusail. The project features 424 apartments and retail units designed to offer uninterrupted coastal views. As the first residential development in Qatar with interiors by Elie Saab, it incorporates the designer's signature aesthetic into a contemporary coastal setting. The development includes one-, two-, and three-bedroom apartments supported by a range of amenities designed to enhance resident comfort and convenience. Les Vagues provides a premium residential environment that combines high-end design with direct proximity to the shoreline.

Status - The project was launched in Q4 2022 and is currently under construction, with scheduled completion in Q4 2027.



Tierra Viva, design inspired by Automobili Lamborghini

BENAHAVÍS, SPAIN

Tierra Viva is Dar Global's first development in continental Europe, launched in June 2023 in collaboration with Automobili Lamborghini. The project comprises an exclusive gated community luxury villas and construction ready plots located in the hills of Benahavis, with elevated views toward Marbella and the Mediterranean Sea. The design of the residences is inspired by Lamborghini's architectural and stylistic principles, incorporating contemporary aesthetics and clean geometric forms. Tierra Viva offers a high-end residential environment in one of Spain's most desirable and established luxury destinations.

Status - The project was launched in Q2 2023 and is currently under construction, with scheduled completion in Q4 2028. The total number of units is 53.





Marea, Interiors by Missoni

CORTISIN, SPAIN

Marea is Dar Global's second development in Spain, unveiled in August 2023 and featuring interior design by Missoni. The project is situated in a prime coastal location and is planned to offer uninterrupted sea views along with convenient access to established golf courses and lifestyle amenities in the surrounding area. Marea is designed to deliver a high end residential environment that integrates contemporary luxury with the natural characteristics of its setting.

Status - The project was launched in Q3 2023 and is currently under construction, with scheduled completion in Q4 2027. The total number of units is 64.



Tabano

MALAGA, SPAIN

In September 2022, Dar Tabano purchased six plots of land in Manilva, a municipality in the province of Malaga, located near the border with Cadiz in southern Spain. The land is about a 45-minute drive from Marbella and is close to several polo clubs and one of the best beach areas of la Costa del Sol. The total area of the Tabano project is 4,650,092 sqm, with a net total buildable area of 1,586,000 sqm, spread across 200 individual plots. Dar Spain plans to develop residential units on these land plots.

Status - The Tabano project is currently in its initial permitting stage, with completion expected to be in December 2029.





The Mulliner

LONDON, UK

The Mulliner, located at the corner of Old Park Lane and Piccadilly, with direct views over Green Park, No. 149 is among the most distinguished Grade II listed properties on Old Park Lane. The building has undergone a comprehensive redevelopment and has been designed and finished to high contemporary standards while retaining its architectural character.

Status - The project was launched in Q2 2022 and has been fully completed.



7&8 Albert Hall Mansions

LONDON, UK

Albert Hall Mansions Penthouse is in one of London's most prestigious residential areas, directly facing the Royal Albert Hall. The property forms part of a historic, architecturally notable Victorian-era building known for its distinguished façade and prime position along Kensington Gore. The penthouse benefits from unobstructed views of the Royal Albert Hall and offers an exclusive central London address within proximity to major cultural, recreational, and institutional landmarks.

Status - The project was launched in Q2 2024 and is currently under construction, with scheduled completion in Q2 2027. The total number of units is 1.



Saudi Economy and Real Estate



SAUDI ECONOMY AND REAL ESTATE

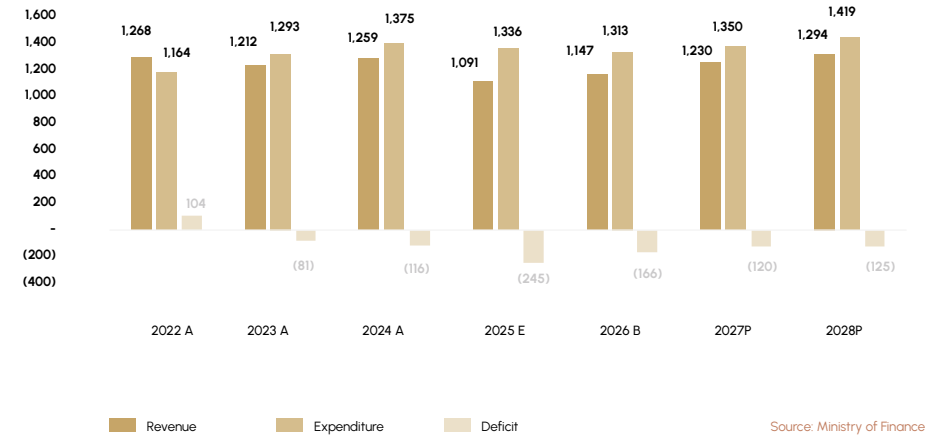
The global economy continues to experience a gradual recovery and remains below historical growth levels. This is largely due to persistent uncertainty in the global economic environment since early FY 2022, escalating geopolitical tensions, as several countries have adopted protectionist policies including imposing trade barriers and increasing tariffs. Additionally, the increase in global debt levels and associated costs, and the ongoing geopolitical risks, further weigh on the recovery. Despite these challenges, global inflation rates have been gradually declining, encouraging several central banks worldwide to adopt a less restrictive monetary policy by maintaining or gradually lowering interest rates to support economic activity.

The US Federal Reserve's decision to cut interest rates in 2024 by 100 basis points and 75 basis points in 2025 are expected to support the ongoing global economic recovery and help stimulate growth over the medium term. Recent projections from major international institutions suggest that the global economy is stabilizing after years of slowdown, with inflation gradually easing and growth expected to remain steady in the coming years. According to the latest outlooks from the World Bank and IMF, the global economic growth is expected to be around 3.1% in FY 2026. The IMF projects that the global inflation rate will decline from 5.8% in FY 2024 to 4.2% in FY 2025 and further to 3.7% in FY 2026.

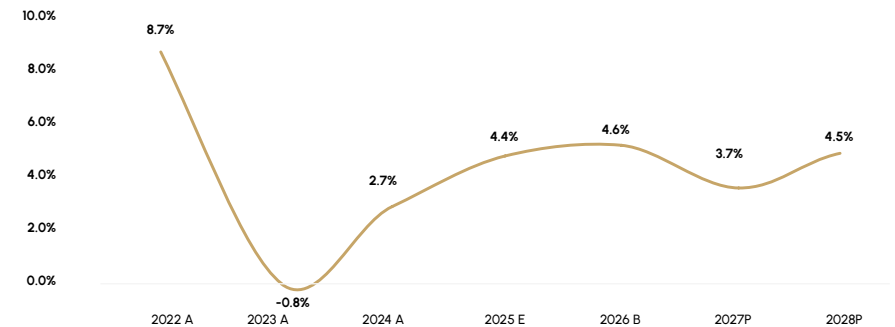
The government of Saudi Arabia is pressing forward with its reforms to meet the objectives of Saudi Vision 2030, which is reflected in the budget of FY2026 and over the medium term. According to the Ministry of Finance, significant growth in the Saudi economy is estimated to enhance revenues over the medium term. For FY 2026, the preliminary estimates indicate real GDP growth of 4.6%, driven by the growth of non-oil activities as the engine of economic growth led by the private sector as the key driver of economic growth. In FY 2026, total revenues are estimated to be around SAR 1,147 bn, an increase of 5.1% compared to the amount expected by the end of FY 2025. This increase is attributed to the positive projections for economic activities in FY 2026. In addition, total revenues are estimated to reach about SAR 1,230 in FY 2027 and SAR 1,294 bn in FY 2028 respectively. The preliminary estimates indicate that the inflation rate for FY 2025 will reach around 2.3% as the Kingdom has maintained relatively acceptable levels of inflation compared to global inflation. Inflation is expected to be 2.0% in 2026, 1.8% in 2027, and 1.9% in 2028.

Looking more broadly across the public sector in Saudi Arabia, the Public Investment Fund and National Development Fund will continue to deploy capital domestically at similar or higher levels in 2026 to push ahead with Vision 2030 initiatives including giga projects and preparations for upcoming major events.

FISCAL PERFORMANCE (SAR BN)



REAL GDP GROWTH (%)



Residential development enjoys favourable long-term prospects due to the sector's robust fundamentals.

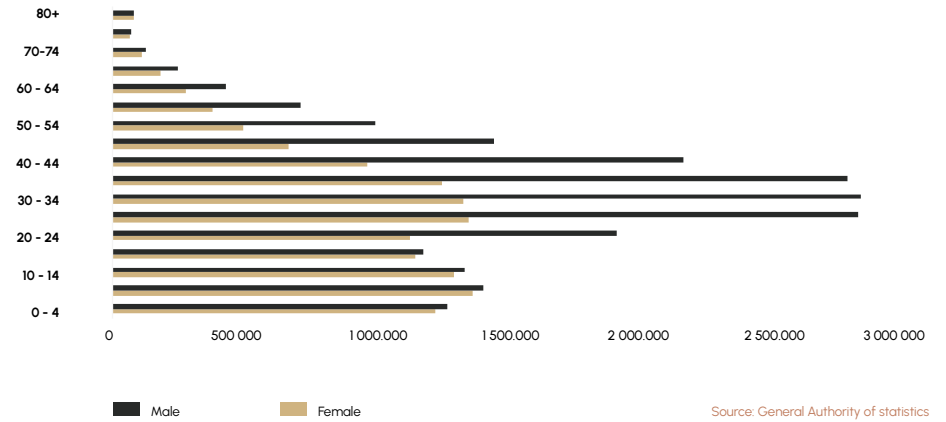
This growth is driven by four key factors:

1. Favourable Demographic Trends
2. Widening Supply Deficit
3. Relatively Low Home Ownership Penetration
4. Government Focus and Support

Positive Demographic Trends

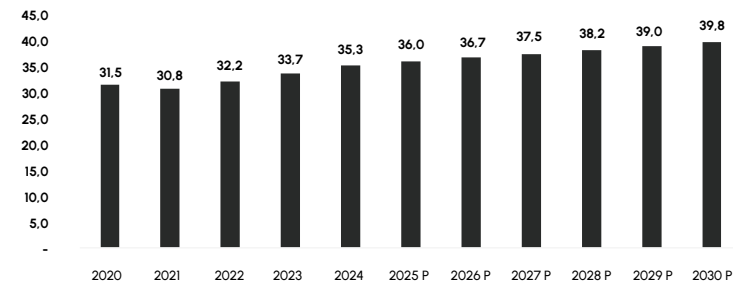
According to the Population Estimates Statistics 2024 - GASTAT, the total population of the Kingdom of Saudi Arabia reached 35.3 million in 2024 comprising 62.1% males and 37.9% females. A shift in societal norms and the growing trend of flexible work arrangements are fueling demand for housing among young professionals and families starting out.

TOTAL POPULATION (AGE/GENDER)



POPULATION (MN)

Based on the Statista estimates, the population of the Kingdom of Saudi Arabia has reached to 35.3 million in 2024 with 55.6% being Saudi and foreign nationals constitute 44.4% and is expected to reach 39.8 million by 2030.

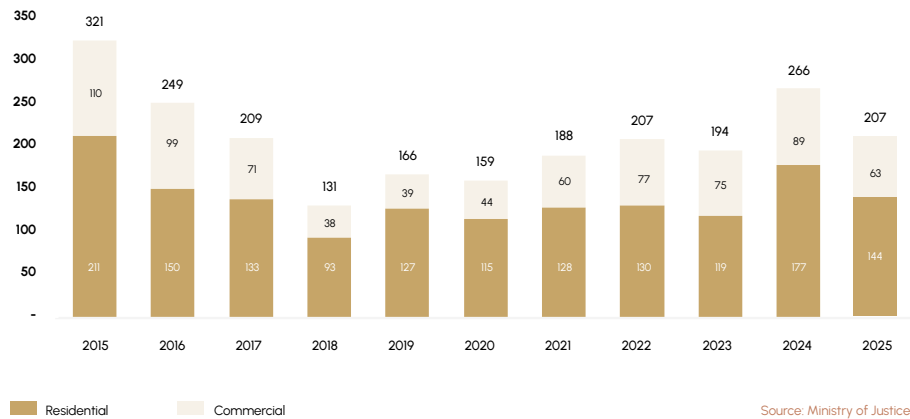


Source: Statista

Widening Supply Deficit

A shortage of housing supply has emerged in Saudi Arabia, creating a widening gap between the strong demand for homes and the limited availability. The Ministry of Municipal and Rular Affairs estimates suggest that the Kingdom will need to create approximately 1.2 million new homes to reach a housing stock of 4.96 million houses by 2030. As per the 2022 Saudi Census, the number of dwellings in the Kingdom reached more than 8.2 million, of which 51% are apartments. In 2025, the value of residential and commercial real estate transactions in KSA reached SAR 207 billion, a decrease of 22% compared to 2024.

Value of Real Estate Transactions in KSA (SAR bn)



Relatively Low Home Ownership Penetration

Saudi VISION2030, has set a target for home ownership penetration of 70% to be achieved by the end of the decade. Meanwhile, the household ownership rate reached over 63.7% by end of 2023 and 65.4% by end 2024, exceeding the target 65% set for 2025. According to the government estimates, the housing demand is expected to reach a total of 5 million units by 2030.

Government Focus and Support

The Saudi government is actively driving growth in the housing sector through initiatives of Ministry of Housing and the VISION2030 program, which has Housing as one of the 7 key pillars. The regulatory framework for both facilitating development permitting as well as introducing new structures like Off-Plan selling are improving the operating environment for developers. Equally, the Government is actively encouraging the provision of liquidity and financing to the market through the REDF, SRC and the Banks provision of mortgage products.

Mortgage contracts for housing support programs by the Real Estate Development Fund (REDF) grew 20% during 2024. Various housing support programs enabled 89,000 beneficiaries to secure mortgages worth a total of SAR 62.9 billion during 2024, compared to about 74,000 beneficiaries in 2023.

According to the Ministry of Municipalities & Housing, the Sakani program has provided housing solutions to ~104,492 families with 87,467 families benefitting from various housing options and financing solutions from the beginning of the year until the end of July 2025.

Moreover, Direct investment initiatives are further fuelling the sector's growth. A prime example is the ambitious redevelopment plans for Riyadh. These plans aim to transform the city into a leading industrial and economic hub, not just for Saudi Arabia, but for the entire region. With a projected population of 15 million inhabitants, Riyadh's future demands a robust housing market.

ESG and Sustainability



Introduction

At Dar Al Arkan (DAR), sustainability is a cornerstone of long-term value creation. As one of Saudi Arabia's leading real estate developers, investing predominantly in land acquisition, infrastructure, and master planning, we are committed to shaping resilient cities, elevating quality of life, and contributing to the Kingdom's economic diversification in line with Vision 2030.

This Sustainability Chapter provides a transparent overview of our ESG performance for the financial year 1 January – 31 December 2025 and forms part of the Dar Al Arkan Annual Report 2025. Unless otherwise stated, the information covers all operations under Dar Al Arkan Real Estate Development Company, including land development, property construction, management, and supporting functions in Saudi Arabia. Where relevant, we reference activities from Dar Global PLC (our international associate), although performance figures pertain solely to Dar Al Arkan unless explicitly noted.

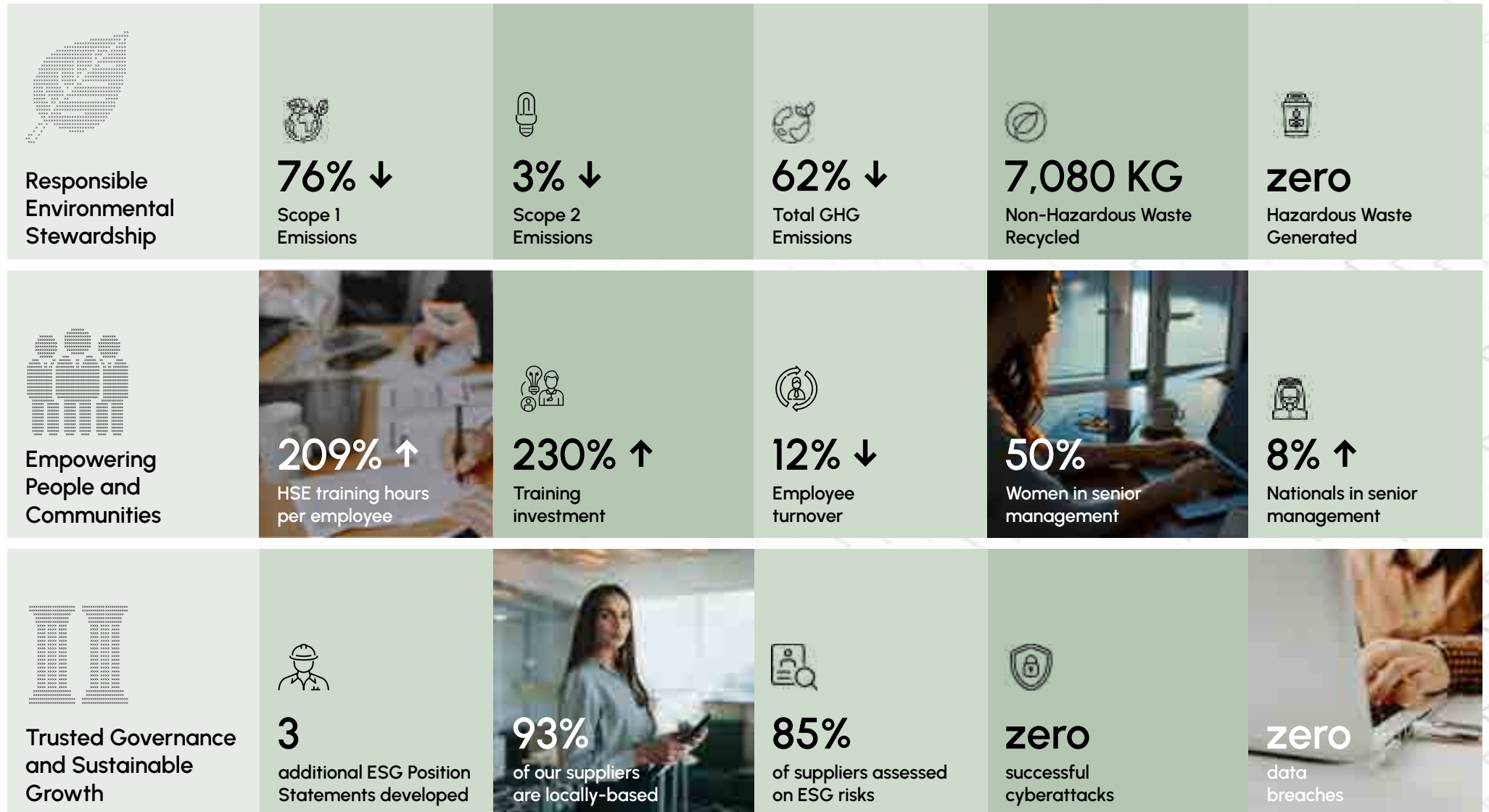
This disclosure has been prepared with reference to leading global and national sustainability frameworks, including Global Reporting Initiative (GRI) Standards 2021, SASB Real Estate

Sector Guidance, United Nations Sustainable Development Goals (SDGs), Saudi Exchange ESG Disclosure Guidelines, and Saudi Vision 2030 and National Transformation Program priorities.

In 2025, we strengthened our ESG foundations by refining our material sustainability topics, enhancing data collection processes, and embedding ESG considerations across strategy, governance, and operations. While we recognize that our sustainability journey is evolving, we are committed to continuous improvement and deeper disclosure each year.

We welcome feedback from investors, customers, partners, and stakeholders, as collaboration is central to delivering shared prosperity and more sustainable built environments.

2025 Sustainability Highlights



Approach to Sustainability

At Dar Al Arkan, sustainability is embedded in how we plan, develop, and deliver value across the real estate lifecycle. As a leading developer contributing to Saudi Arabia's urban transformation, we recognize that our decisions today shape the quality, resilience, and inclusiveness of the built environment for generations to come.

Our approach is grounded in responsible business conduct, strong governance, and accountability to stakeholders. We seek to balance economic performance with environmental stewardship and social responsibility, ensuring that our developments contribute positively to communities, support national priorities, and align with Saudi Vision 2030. Sustainability considerations inform strategic planning, investment decisions, land development, construction practices, and how we engage with employees, partners, customers, and communities.

In 2025, Dar Al Arkan strengthened its sustainability approach through a refreshed materiality assessment and an updated sustainability framework aligned under Environmental, Social, and Governance (ESG) pillars. This evolution reflects our commitment to responding to changing regulatory expectations, stakeholder priorities, and the increasing importance of sustainability performance in the real estate sector. We continue to enhance internal processes, data quality, and disclosures in line with leading frameworks, including the GRI Standards and Tadawul ESG guidance, to ensure transparency, consistency, and decision-useful reporting.

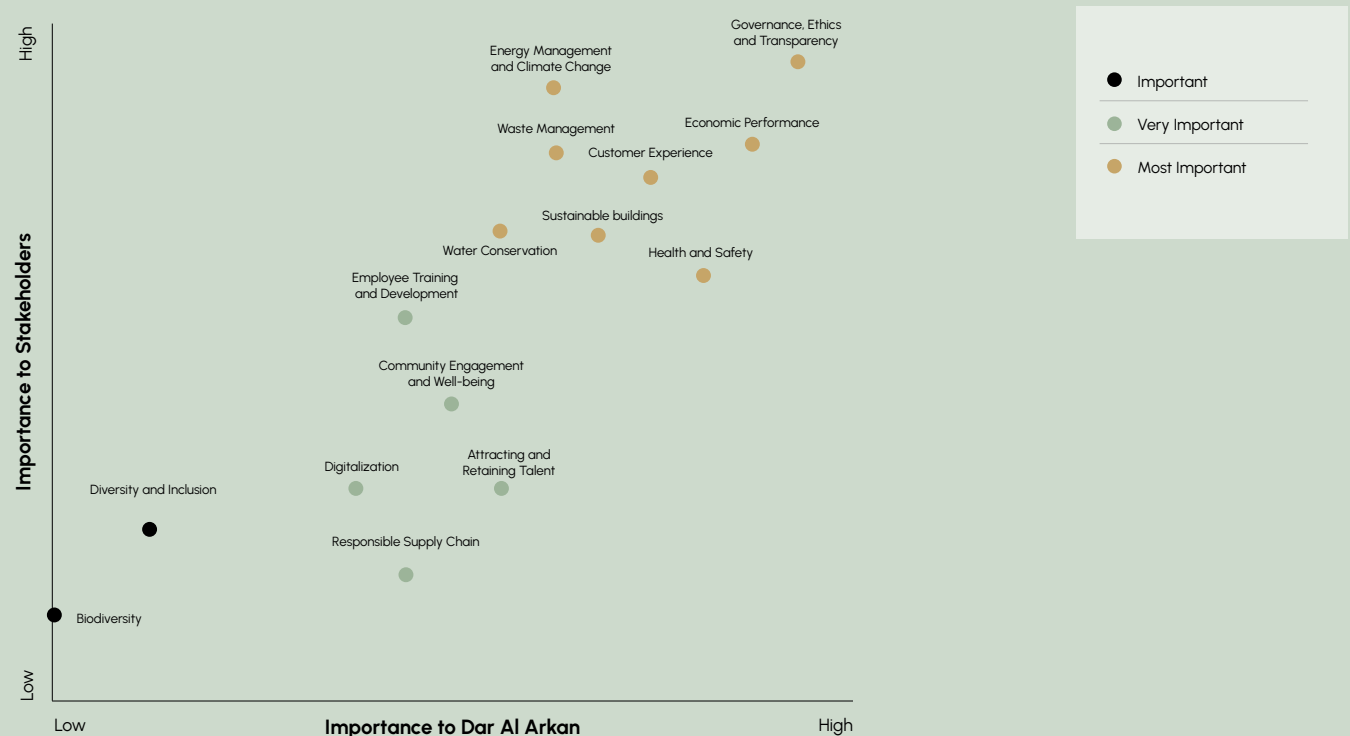
Through continuous integration and improvement, Dar Al Arkan aims to deliver long-term economic value while supporting environmental resilience, social well-being, and trusted governance across its operations and developments.

Our Materiality Process

Materiality is central to identifying where Dar Al Arkan can create the greatest impact and manage the most significant risks and opportunities. In 2025, the Company conducted a materiality assessment refresh to reassess and validate the sustainability topics most relevant to its business model, stakeholders, and the evolving real estate landscape in Saudi Arabia.

The assessment considered both internal and external perspectives, reflecting stakeholder expectations, regulatory developments, industry trends, and Dar Al Arkan's strategic objectives. Topics were evaluated based on their significance to economic performance, environmental and social impacts, and their influence on long-term value creation. This process ensures that sustainability priorities remain relevant, forward-looking, and aligned with the Company's growth trajectory.

The resulting material topics guide Dar Al Arkan's sustainability focus, inform management decision-making, and shape the structure and content of this Sustainability Chapter. By concentrating on the issues that matter most, the Company ensures that its sustainability efforts and disclosures are targeted, meaningful, and responsive to the needs of investors, customers, employees, regulators, and wider society.



Our Sustainability Framework

Dar Al Arkan's Sustainability Framework translates material sustainability priorities into a clear, integrated structure that guides strategy, operations, and performance management. Updated in 2025 following the materiality assessment refresh, the framework consolidates the Company's sustainability approach into three ESG-aligned pillars that reflect where Dar Al Arkan can deliver the greatest long-term value and positive impact.

This updated framework integrates the previous five-pillar structure, creating a clearer line of sight between material topics, strategic priorities, and operational execution. It supports consistent decision-making across development planning, construction partnerships, asset management, governance, and stakeholder engagement, while strengthening alignment with Saudi Vision 2030, national transformation objectives, and relevant UN Sustainable Development Goals.

Responsible Environmental Stewardship

This pillar focuses on minimizing environmental impacts and enhancing the long-term resilience of Dar Al Arkan's developments and operations. It reflects the Company's responsibility to manage natural resources efficiently and protect ecosystems throughout the project lifecycle.

Material topics covered:

-  **Energy Management and Climate Change**
-  **Waste Management**
-  **Water Management**
-  **Biodiversity**

Through improved efficiency, responsible resource use, and environmentally conscious design, Dar Al Arkan seeks to balance growth with environmental protection and contribute to a more sustainable built environment.

Empowering People and Communities

People are at the core of Dar Al Arkan's success. This pillar reflects the Company's commitment to providing safe, inclusive, and supportive workplaces, delivering quality experience for customers, and contributing positively to the communities in which it operates.

Material topics covered:

-  **Health and Safety**
-  **Employee Training and Development**
-  **Attracting and Retaining Talent**
-  **Diversity and Inclusion**
-  **Customer Experience**
-  **Community Engagement and Well-Being**

By investing in human capital, fostering inclusion, and strengthening community relationships, Dar Al Arkan supports workforce excellence, customer trust, and shared social value.

Trusted Governance and Sustainable Growth

Strong governance underpins Dar Al Arkan's ability to grow responsibly and sustainably. This pillar emphasizes ethical conduct, transparency, effective oversight, and innovation as foundations for long-term economic performance.

Material topics covered:

-  **Governance, Ethics and Transparency**
-  **Responsible Supply Chain**
-  **Economic Performance**
-  **Sustainable Buildings**
-  **Digitalization**

By integrating governance, sustainability, and digital solutions into its business model, Dar Al Arkan enhances operational resilience, protects stakeholder interests, and supports future-ready development.



Alignment with SDGs and National Vision

Dar Al Arkan's sustainability framework is closely aligned with Saudi Vision 2030 and the Kingdom's national transformation agenda, reinforcing our role in supporting economic diversification, sustainable urban development, and social well-being. As a leading real estate developer, we recognize the responsibility we carry in shaping

resilient cities, enabling quality of life, and contributing to long-term national prosperity.







By integrating environmental, social, governance, and economic considerations across our operations and developments, we also contribute to a select set of United Nations Sustainable

Development Goals that are most relevant to our activities and areas of impact. These include goals related to sustainable cities and communities, industry and innovation, decent work and economic growth, responsible consumption and resource use, and strong institutions.

This dual alignment ensures that our sustainability efforts are both globally informed and locally grounded. It strengthens our ability to manage risks, capture opportunities, and deliver shared value for stakeholders, while remaining firmly anchored in Saudi Arabia's development priorities and evolving regulatory and market expectations.

Stakeholder Engagement

Engaging constructively with our stakeholders is central to how Dar Al Arkan creates long-term value. By maintaining ongoing dialogue with key stakeholder groups, we gain insight into expectations, manage impacts effectively, and foster collaboration that strengthens transparency, accountability, and sustainable business outcomes. Our stakeholder engagement approach is designed to be systematic, consistent, and responsive, ensuring that the perspectives of those affected by or influencing our operations are incorporated into decision-making across the organization.

Stakeholder	Engagement Methods	Channel
 Shareholders and Investors	Dar Al Arkan fosters long-term partnerships grounded in trust, transparency, and performance delivery. Engagement focuses on financial performance, strategic direction, governance matters, capital allocation, and long-term growth opportunities. Regular investor meetings, strategic briefings, earnings communications, and direct dialogue with Board representatives reinforce investor confidence and support informed decision-making.	Face-to-face and virtual meetings (local and international); investor conferences and roadshows; quarterly earnings calls and Q&A sessions; shareholder and market presentations; Board meetings; company announcements; personalized emails; corporate website
 Foreign Institutional Investors	Dedicated engagement with foreign institutional investors supports international capital market participation and financing activities. Discussions focus on macroeconomic outlook, funding strategy, project pipeline, ESG performance, and risk management. Roadshows and targeted meetings strengthen international investor relationships and broaden the Company's global investor base.	Face-to-face and virtual meetings; international and regional roadshows; presentations and structured follow-up communications
 Supplier and Contractors	The Company builds strategic partnerships with suppliers and contractors who share its commitment to quality, safety, and sustainability. Engagement emphasizes responsible procurement, performance monitoring, compliance with safety and ethical standards, and collaborative project delivery. Supplier onboarding, performance reviews, audits, and joint coordination sessions help ensure operational excellence and timely execution.	Contracts and procurement documentation; workshops; site visits; performance dashboards; digital procurement and communication platforms
 Government and Regulators	Dar Al Arkan maintains close collaboration with key regulatory bodies, including the Ministry of Municipal and Rural Affairs and Housing, the Capital Market Authority, and the Saudi Exchange (Tadawul). Engagement focuses on regulatory compliance, policy updates, licensing and permitting, disclosure requirements, and alignment with national priorities, including Saudi Vision 2030.	Formal submissions; regulatory reporting; official correspondence; meetings with authorities; industry forums and regulatory briefings
 Visitors	As a developer of lifestyle destinations and mixed-use communities, the Company aims to deliver high-quality visitor experiences through curated spaces, service excellence, and responsive support. Experience monitoring and real-time feedback mechanisms help maintain service standards and continuously enhance the visitor journey.	On-site signage; customer service desks; digital feedback forms; dedicated communication channels; on-site support teams
 Buyers and Tenants	Dar Al Arkan places buyers and tenants at the center of its developments. Engagement spans the full property lifecycle - from sales and contracting through handover and after-sales support. Satisfaction surveys, structured communication, and responsive service channels help build long-term relationships based on quality, reliability, and trust.	Emails; on-site sales and service offices; customer support channels; digital platforms; social media; post-handover engagement tools
 Communities	The Company is committed to contributing to the social and economic vitality of the communities in which it operates. Engagement includes stakeholder consultations and social investment initiatives aligned with education, health, housing, and local development priorities. Regular dialogue with local organizations helps ensure initiatives respond to real community needs and foster inclusive urban development.	Workshops; local events; community meetings; surveys; partnerships with local associations; direct engagement platforms
 Employees	Employees form the foundation of Dar Al Arkan's success. Engagement focuses on performance management, professional development, diversity and inclusion, and wellbeing initiatives. Structured communication channels, leadership interaction, and continuous learning opportunities foster innovation, accountability, and a culture of shared purpose.	Town halls; internal communications; learning and development platforms; digital collaboration tools; engagement surveys; focus groups

Responsible Environmental Stewardship

At Dar Al Arkan, we recognize that environmental responsibility is a cornerstone of sustainable growth and long-term value creation. As a leading real estate developer, we understand that the decisions we make today - from energy use and waste management to water conservation and biodiversity considerations - shape both our environmental footprint and the resilience of our business.

Our approach is guided by national priorities, emerging regulatory expectations, and the needs of our stakeholders. Across our operations and developments, we are implementing initiatives that reduce resource consumption, enhance efficiency, and minimize environmental impacts. By embedding responsible practices across energy management, waste handling, water use, and biodiversity considerations, we are reinforcing our commitment to environmental stewardship and advancing tangible progress toward our sustainability objectives.

Material Topics

- Energy Management and Climate Change
- Waste Management
- Water Conservation
- Biodiversity

Alignment Saudi Vision 2030

- A Thriving Economy
- An Ambitious Nation high-value assets.

Alignment UNSDGs



Energy Management and Climate Change

Efficient energy management remains a core element of Dar Al Arkan's environmental strategy, supporting operational performance, climate resilience, and long-term value creation. In 2025, the Company formalized its approach to environmental management through the development of an **Environmental Position Statement**, which sets out Dar Al Arkan's commitment to protecting the environment, conserving natural resources, and supporting the transition to a more sustainable, low-carbon economy.

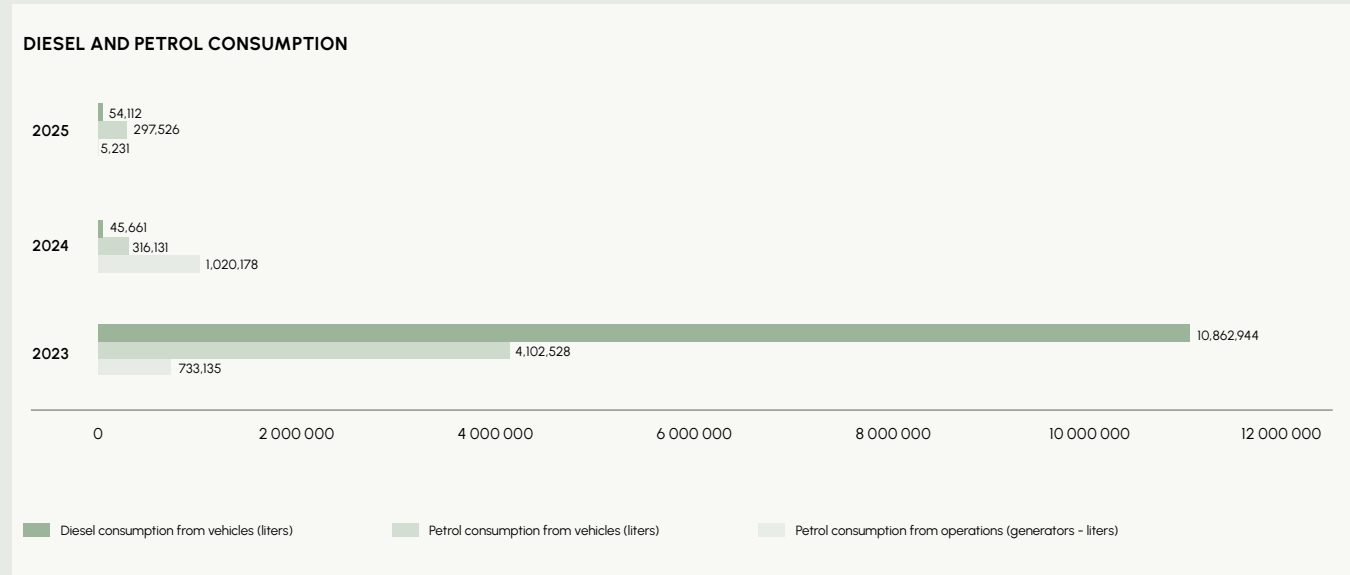
The statement confirms Dar Al Arkan's compliance with applicable environmental laws, regulatory requirements, and permitting obligations, and reinforces the role of the Company's Environmental Management System in identifying, assessing, and managing environmental risks. Environmental considerations are integrated into planning, design, construction, and operational decision-making, ensuring that energy- and climate-related risks are proactively managed and embedded within core business processes.

Energy Management

In 2025, Dar Al Arkan continued strengthening its monitoring of energy use across offices, project sites, and vehicle fleets, enhancing visibility over consumption patterns and operational drivers. Variations in energy use during the reporting period were primarily linked to changes in construction stages across the portfolio. As projects progress from early works to structural, finishing, and handover phases, the type and intensity of energy consumption naturally shift, influencing overall energy demand, supplier engagement, and associated operational metrics.

A key operational milestone in 2025 was the discontinuation of diesel generator use across project sites, with the Company transitioning to grid electricity supplied by the Saudi Electricity Company (SEC). This shift significantly reduced diesel consumption from operations and reflects a move toward more stable and centrally supplied energy sources.

Electricity consumption from non-renewable sources declined moderately to 1,485,261 GJ compared to 2024, reflecting both changes in construction stages and ongoing efforts to optimize office energy use and enhance operational controls.



Energy intensity per employee continued to provide useful context for performance monitoring, supporting more targeted energy optimization initiatives as data management processes further mature.

Climate Change and Greenhouse Gas Emissions

The management of greenhouse gas (GHG) emissions is a key component of Dar Al Arkan's environmental stewardship and climate resilience strategy. Through its Environmental Position Statement, the Company formally acknowledges the risks posed by climate change and commits to assessing and managing both physical risks - such as heat stress, extreme weather events, and flooding - and transition risks associated with evolving regulation, market expectations, and decarbonization pathways.

In line with changes in energy consumption patterns and operational activity, GHG emissions fluctuated during the reporting period. Variations were primarily driven by the number of active projects, the stage of construction across sites, and shifts in energy sources - including the discontinuation of diesel generators and increased reliance on grid electricity.



Climate considerations are increasingly embedded into corporate planning and long-term risk management processes, with oversight of environmental and climate performance maintained by the Board of Directors and senior management. This governance framework is supported by defined responsibilities, performance monitoring against established indicators, and transparent public reporting.

Looking ahead, Dar Al Arkan aims to build on this foundation by expanding efficiency initiatives, further reducing reliance on fossil fuels where feasible, and exploring opportunities to integrate renewable energy solutions into future developments and operations. By strengthening internal controls, enhancing data quality, and aligning climate-related insights with investment, procurement, and asset planning decisions, the Company seeks to protect asset value, support an orderly transition to a low-carbon economy, and reinforce long-term business resilience.



Waste Management

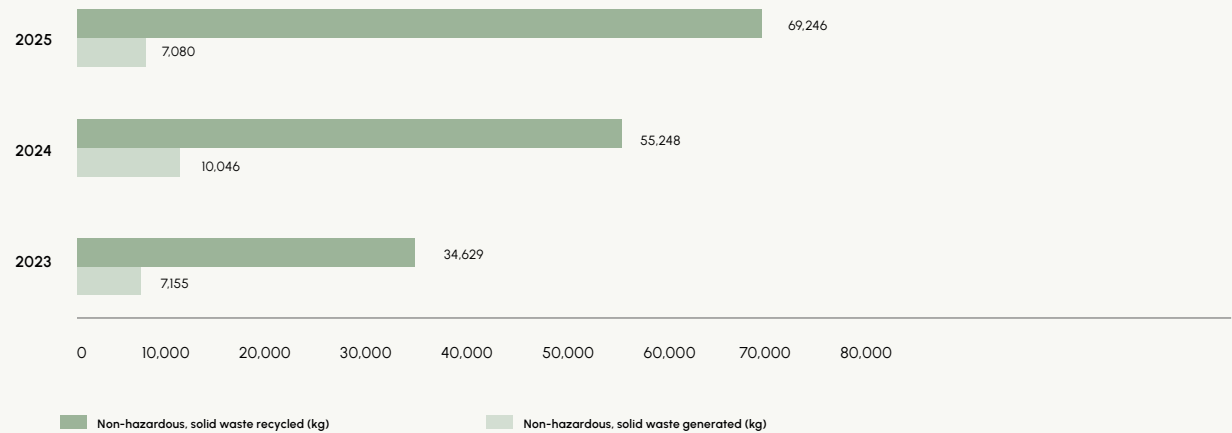
Responsible waste management remains a key component of Dar Al Arkan's environmental stewardship, aligned with the commitments outlined in the Company's Environmental Position Statement and supported by its Environmental Management System. Across operations, waste practices focus on minimizing disposal to landfill, strengthening reuse and recycling, and ensuring waste streams are managed responsibly and in compliance with applicable regulatory requirements.

In 2025, the number of active projects increased and the Company's development portfolio expanded, resulting in higher overall operational activity across construction sites. This expansion contributed to a 25% increase in total non-hazardous solid waste generation compared to 2024, reflecting the scale and pace of land development, structural works, and project advancement during the reporting period. In response, Dar Al Arkan reinforced systematic waste collection, segregation, and disposal procedures, maintaining regulatory compliance and adherence to internal environmental standards across sites.

Variations in recycled and reused waste volumes were primarily influenced by both the increased number of active projects and changes in construction stages. As developments progress from early works to structural, finishing, and handover phases, the type and volume of waste generated naturally evolve. During finishing stages in particular, materials such as marble offcuts, tiles, wood, fixtures, and packaging become more prominent, influencing the proportion of materials that can be recycled or reused. These lifecycle-related shifts directly affect waste composition and recovery potential from year to year.

In 2025, non-hazardous waste recycled totaled 7,079.99 kg, while non-hazardous waste reused amounted to 7,059.93 kg. Hazardous waste generation and disposal remained at zero, continuing a multi-year trend. This outcome reflects deliberate procurement decisions, careful material selection, and preventive controls aimed at minimizing hazardous inputs across operations.

WASTE MANAGEMENT



Looking ahead, Dar Al Arkan aims to further strengthen waste recovery performance by enhancing segregation practices at source, increasing contractor awareness, expanding collaboration with recycling and recovery partners, and integrating waste considerations more consistently into procurement processes and project design. Through continued monitoring, governance oversight, and lifecycle-based planning, the Company seeks to optimize circularity outcomes while ensuring that waste management practices evolve in line with portfolio growth and increasing operational complexity.

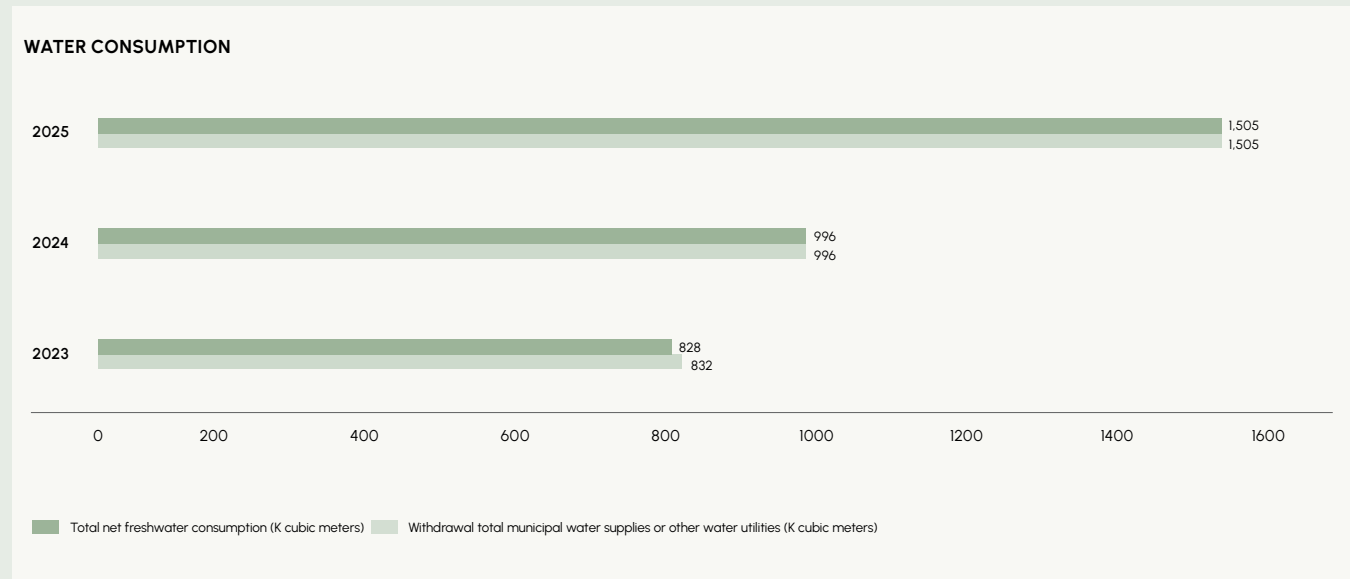
Water Conservation

Water stewardship remains an important environmental consideration for Dar Al Arkan, particularly given the water-scarce and climate-sensitive context of Saudi Arabia. In line with the Company's Environmental Position Statement, Dar Al Arkan is committed to responsible water management and to strengthening oversight of water consumption across its expanding operations.

Water use across Dar Al Arkan's activities is primarily sourced from municipal supplies, reflecting the nature of its business as a real estate investor, developer, and property manager. In 2025, the number of active projects increased and the development portfolio expanded, resulting in higher operational intensity across construction sites. Accordingly, total municipal water withdrawals rose to 1,505 thousand cubic meters during the reporting period.

The increase in water use is closely linked to construction stage progression and portfolio growth. As projects advance from early works to structural and finishing phases, water demand naturally fluctuates due to activities such as concrete works, curing, site preparation, cleaning, testing, and commissioning. These lifecycle-related shifts, combined with the overall expansion in project activity, contributed to the year-on-year increase in absolute water consumption.

Although alternative freshwater sourcing was not required during the reporting period, the Company remains focused on promoting responsible consumption practices and improving water efficiency over time. This includes reinforcing contractor awareness, integrating water-efficient fixtures and operational controls where feasible, and assessing opportunities for water reuse solutions at project level as developments mature.



Dar Al Arkan aims to further embed water management considerations into planning, design, procurement, and construction activities. By strengthening governance, improving data quality, and aligning water practices with national priorities and regulatory expectations, the Company seeks to support long-term resource resilience while enabling responsible growth across its expanding development portfolio.



Biodiversity

We recognize the importance of protecting natural ecosystems and managing the environmental impacts associated with land development. As a company whose core business involves purchasing, developing, and selling land, the preservation of natural habitats remains an important consideration in project planning and design - particularly in locations that intersect with ecologically sensitive areas.

In 2025, we took meaningful steps to integrate biodiversity considerations into project-level decision-making. Along the eastern coastal province of Saudi Arabia, where mangrove vegetation borders the land parcel, we embedded

ecosystem preservation principles directly into the project's concept design. Planned residential and resort assets at the site are being designed on elevated stilts, ensuring that mangrove root systems remain undisturbed and that natural tidal movement can continue beneath the development footprint. This protective approach avoids physical barriers, enables natural regeneration, and aligns with regional priorities to safeguard coastal wetlands - one of Saudi Arabia's most valuable ecological resources.

In parallel, at the Sidra project in Bosnia, our closely held associate Dar Global implemented a tree reallocation initiative - relocating trees

from sellable lots into designated green zones within the development and nearby forests. This approach supports woodland continuity and enhances overall green-cover distribution within and surrounding the project footprint. The project also incorporates greywater treatment systems, providing an environmentally responsible alternative to sewer discharge and supporting reduced pressure on natural water systems.

Moreover, 2025 marked a year of progress in integrating sustainable land-use principles into design and planning practices. Early-stage masterplans now increasingly consider the incorporation of native plant species, landscaping

aligned with local ecosystems, and material choices that minimize resource requirements and long-term maintenance costs.

As Dar Al Arkan expands its pipeline and operational scale, these embedded considerations lay the groundwork for more structured environmental governance. This reflects an evolving approach to land stewardship and reinforces the company's ambition to deliver developments that respect and preserve the character of natural landscapes.

Empowering People and Communities

At Dar Al Arkan, our people and the communities in which we operate are at the heart of everything we do. We recognize that long-term success is built not only on the quality of our developments, but also on the well-being, growth, and engagement of those who contribute to and are impacted by our activities. This pillar reflects our commitment to fostering a safe, inclusive, and supportive workplace while contributing positively to the broader society.

Through a holistic approach, we focus on creating value across six interconnected areas: ensuring health and safety for employees and contractors, investing in employee training and development, attracting and retaining skilled talent, promoting diversity and inclusion, enhancing customer experience, and engaging with communities to support social well-being. By embedding these priorities into our business practices, we empower individuals, nurture capable teams, and contribute to vibrant, resilient communities, reinforcing our role as a socially responsible leader in Saudi Arabia's real estate sector.

Material Topics

- Health and Safety
- Employee Training and Development
- Attracting and Retaining Talent
- Diversity and Inclusion
- Customer Experience
- Community Engagement and Wellbeing

Alignment Saudi Vision 2030

- A Thriving Economy
- An Ambitious Nation
- A Vibrant Society

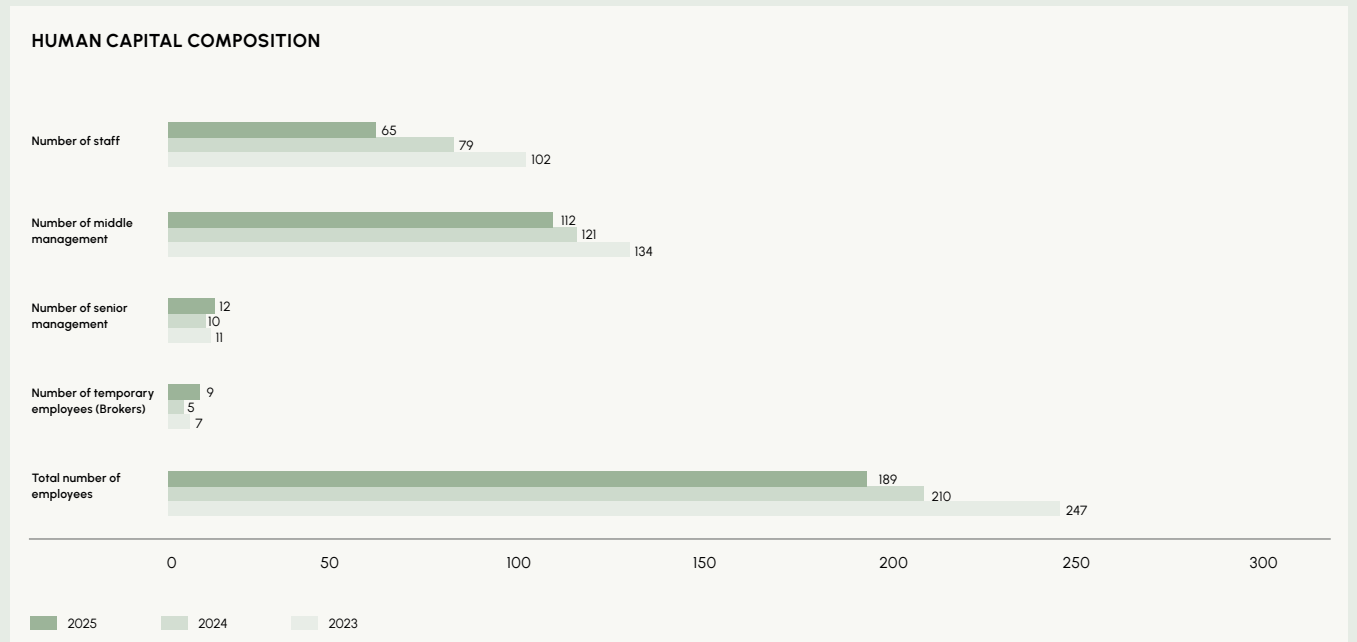
Alignment UNSDGs



Overview of Our Workforce

Dar Al Arkan's workforce plays a central role in delivering operational excellence and supporting the Company's long-term growth objectives. In 2025, the Company maintained a predominantly full-time workforce structure, supported by a limited number of temporary specialists to meet evolving business and development needs. This approach enables operational continuity, strengthens institutional knowledge, and ensures appropriate resourcing across projects and functions.

Total employee headcount decreased in 2025, reflecting organizational optimization and changes in project phasing rather than a reduction in operational capability. At the same time, the proportion of senior management increased, supporting stronger governance, oversight, and leadership capacity as the Company's portfolio and geographic footprint continue to evolve.



Health and Safety

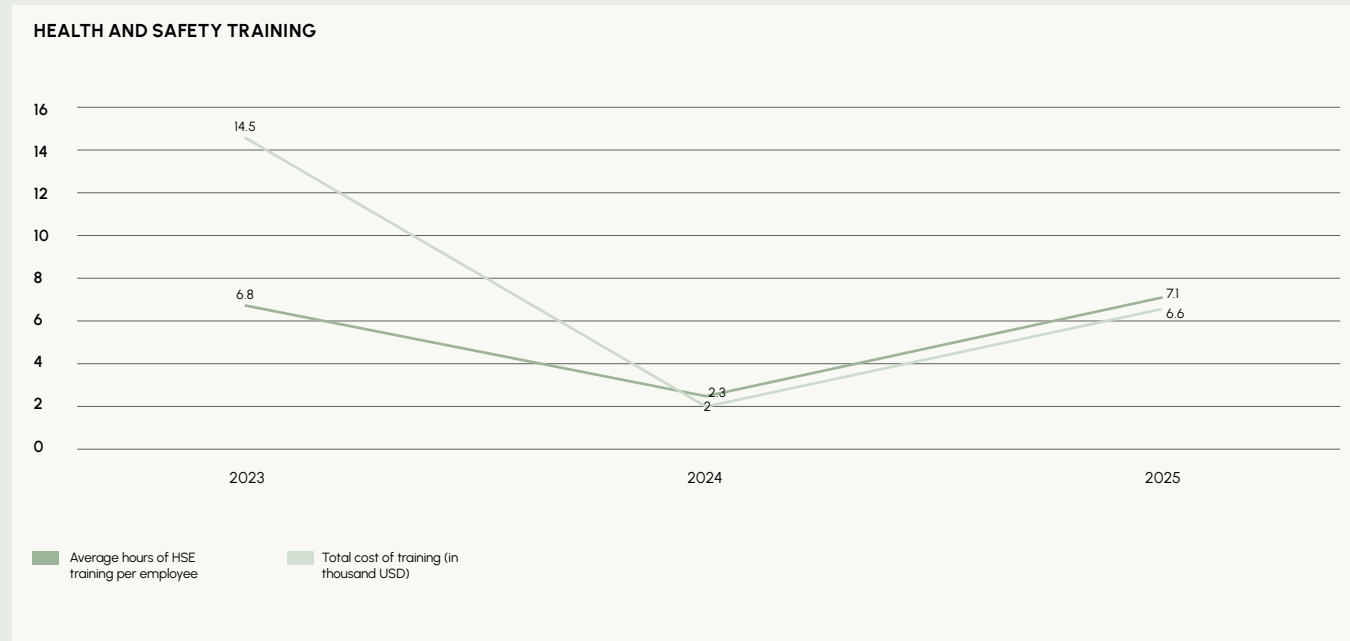
Health and safety remain fundamental priorities across Dar Al Arkan's operations and are embedded into everyday decision-making at all levels of the organization. In 2025, the Company formalized its commitment through the development of a **Health and Safety Position Statement**, reinforcing a structured and proactive approach to safeguarding the wellbeing of employees, contractors, customers, visitors, and the wider community.

At project sites, Dar Al Arkan maintains a dedicated Health, Safety and Environment (HSE) Department responsible for managing and supervising all construction-related health and safety activities. The HSE teams oversee systematic risk identification, enforce preventive controls, and monitor compliance with site safety procedures. Their responsibilities include supervising working-at-height practices, dust control measures, drinking water quality, waste management controls, safe equipment usage, and adherence to personal protective equipment (PPE) requirements. Safety considerations are integrated into project planning, contractor oversight, and day-to-day site management, supported by regular inspections, audits, and continuous supervision. Supervisors and site leadership teams play a visible role in reinforcing safe behaviors and demonstrating accountability.

Beyond construction activities, Dar Al Arkan upholds robust health and safety standards at its headquarters and corporate offices. Workplace safety practices include fire alarm safety procedures, safe use of electrical devices, safe movement within office premises, emergency exit management, and assembly point awareness. Regular office-based risk assessments cover fire safety systems, ergonomics, indoor environmental quality, and emergency evacuation preparedness. Preventive measures include maintenance of fire detection and suppression systems, first-aid readiness, and clearly defined emergency response protocols, ensuring that safety standards are consistently upheld across both operational and administrative environments.

Training and awareness remain central to strengthening the Company's safety culture. In 2025, average health and safety training hours per employee and total training expenditure increased, reflecting increased focus on competence building on operational readiness amid expanded project activity.

Safety training programs cover both project sites and office environments. At construction sites, a full Safety Induction is conducted for all newly joined laborers, engineers, and visitors. During induction sessions, safety engineers provide guidance on site entrances and exits, assembly points, fire extinguisher locations, working-at-height procedures, safe use of tools, and mandatory PPE requirements. Regular Toolbox Talks are conducted by HSE teams to deliver short, focused briefings on daily risks and safe work practices aligned with ongoing construction activities.



At the headquarters and office locations, safety induction programs include guidance on the safe use of electrical devices, safe movement on stairs, emergency exits, and assembly procedures. Fire extinguisher training, fire alarm awareness sessions, and general safety awareness programs are conducted across both sites and offices, reinforcing consistent standards of preparedness and risk awareness.

The Company maintains oversight of safety incidents involving both employees and contractors. While day-to-day construction-related HSE monitoring and reporting is primarily carried out by contractors' HSE teams in line with project responsibilities, Dar Al Arkan retains supervisory oversight and consolidates safety performance data within its reporting framework. Contractors are required to comply with Company health and safety standards, maintain appropriate safety plans, participate in inspections, and report incidents and near misses promptly. All reported incidents are subject to investigation, including root-cause analysis, to prevent recurrence and support continuous improvement.

Oversight of health and safety performance is maintained by the Board of Directors and senior management, supported by dedicated HSE professionals, defined reporting structures, and regular performance reviews. Health and safety objectives are integrated into the Company's broader ESG strategy and enterprise risk management framework, with performance monitored through defined indicators and publicly disclosed.

Through these measures, Dar Al Arkan continues to foster a culture in which health and safety is a shared responsibility and a core organizational value - supporting operational resilience, protecting people, and reinforcing stakeholder confidence in the Company's responsible business practices.



Employee Training and Development

Dar Al Arkan recognizes that the skills, expertise, and professional growth of its workforce are essential to delivering high-quality real estate investments and development outcomes. As a company primarily engaged in land acquisition, infrastructure development, and selective property construction, it places strong emphasis on building capabilities that support sound planning, effective oversight, compliance, and commercial excellence.

Training and development efforts are designed to ensure employees possess the knowledge and competencies required to perform their roles safely, efficiently, and in line with regulatory and operational requirements. Core learning areas include role-specific technical development, on-the-job training, supervisory guidance, and cross-functional knowledge-sharing across teams involved in land development, infrastructure delivery, sales operations, and project management. Mandatory health and safety training remains a foundational component across both project sites and office environments, reinforcing safe working practices and regulatory compliance.

In 2025, structured training initiatives were primarily focused on the Company's sales, sales operations, and marketing teams, in addition to health and safety programs described in the previous section. These targeted programs aimed to strengthen commercial effectiveness, enhance customer engagement capabilities, and support revenue generation amid evolving market dynamics and project launches.

Dar Al Arkan views learning and development as a driver of long-term organizational resilience. By encouraging continuous improvement, practical experience-based learning, and internal collaboration, the Company seeks to strengthen internal capacity and support career progression. As project activities expanded during the year, capability-building efforts played an important role in maintaining operational quality and supporting employees in taking on expanded responsibilities. These efforts contribute to workforce stability, operational continuity, and the development of future leaders aligned with the Company's strategic objectives.

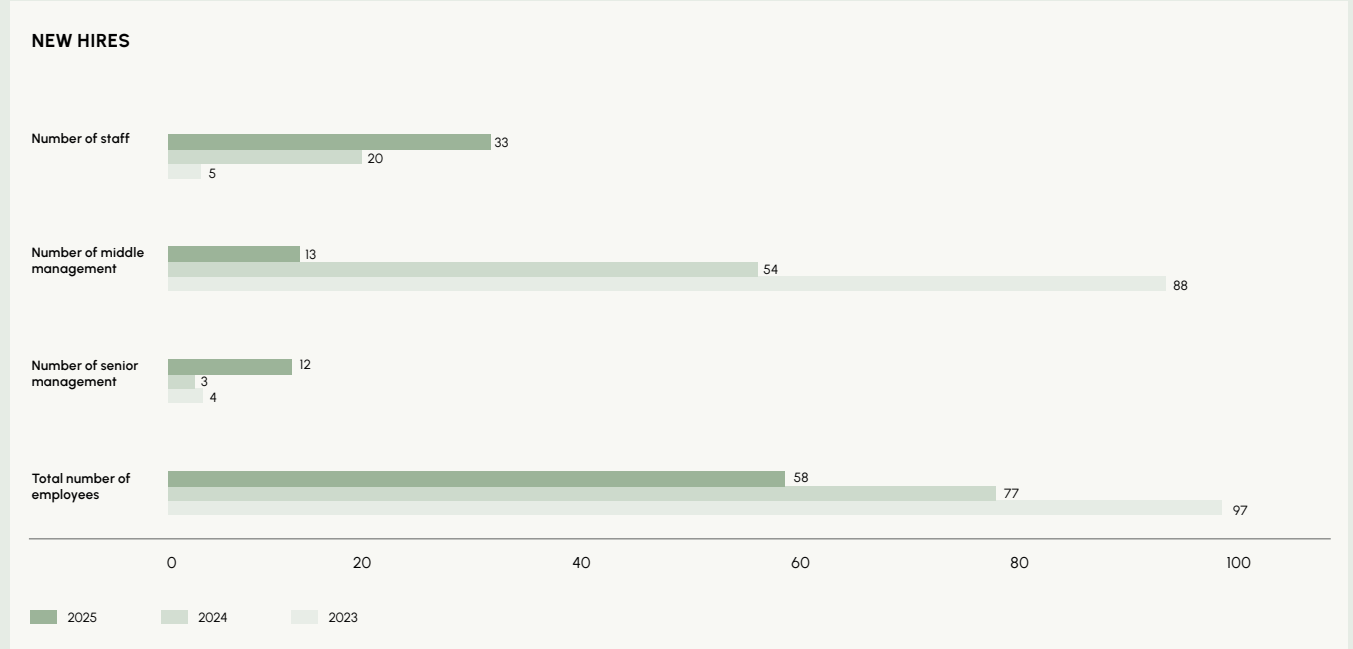


Attracting and Retaining Talent

Attracting and retaining capable professionals remains critical to Dar Al Arkan's ability to deliver sustainable growth and execute its long-term real estate strategy. The Company seeks to position itself as an employer of choice within the Saudi real estate sector by fostering a supportive work environment, offering competitive employment conditions, and providing opportunities for professional development and internal mobility.

In 2025, Dar Al Arkan continued to strengthen its workforce in line with evolving business needs and expanding project activity. A total of 58 new employees joined the organization, including 12 senior management hires, 13 middle management hires, and 33 staff-level hires. The increase in senior management recruitment reflects deliberate efforts to reinforce leadership capacity and governance oversight as the Company's project portfolio expanded.

Over recent years, workforce dynamics have also evolved as part of the close collaboration and talent exchange between Dar Al Arkan and its associated company, Dar Global, supporting the Group's broader growth and international development strategy.



Dar Al Arkan continues to focus on strengthening engagement, leadership accountability, and organizational culture. By reinforcing internal communication, targeted development initiatives, and fair performance management practices, the Company aims to retain institutional knowledge, enhance workforce stability, and support long-term sustainable growth.

Fostering Employee Wellbeing



Dar Al Arkan views employee wellbeing as a foundational element of organizational resilience and long-term performance.

The Company promotes a supportive and inclusive working environment that balances operational demands with personal wellbeing. Flexible working arrangements, including hybrid or remote options where role requirements permit, are complemented by comprehensive healthcare coverage and structured employee engagement practices.

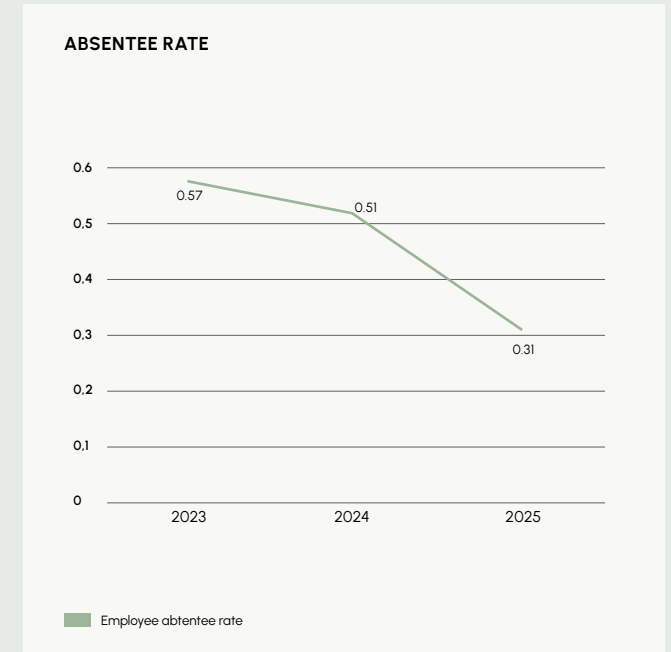
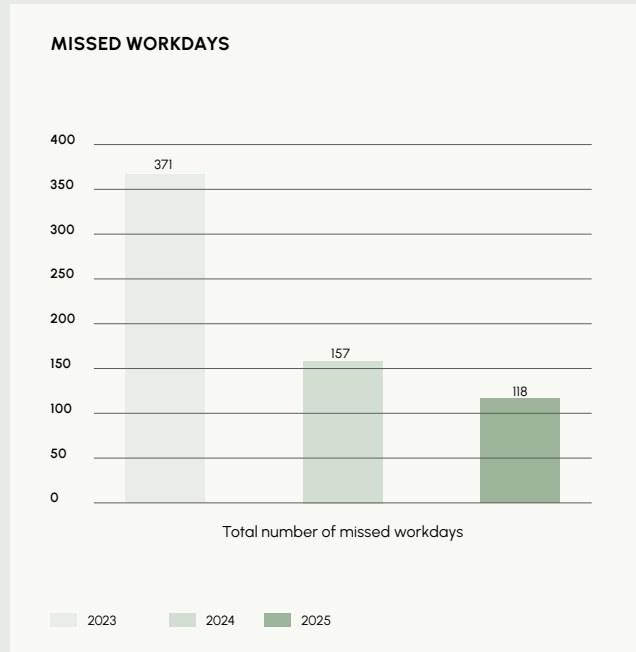
All employees receive structured remuneration packages that include basic salary and consolidated allowances, supported by a comprehensive benefits framework. This includes medical insurance, pension or end-of-service gratuity schemes, annual travel support, and education-related allowances where applicable. These measures contribute to financial stability, workforce security, and sustained engagement across the organization.

Workforce Satisfaction and Stability

Employee satisfaction at Dar Al Arkan is assessed through a combination of quantitative and qualitative tools, including employee surveys, eNPS (Employee Net Promoter Score), focus groups, structured check-ins, turnover and absenteeism analysis, and exit interviews. Social engagement activities and internal gatherings further provide insight into workforce morale and organizational culture.

In 2025, employee satisfaction remained at 100%, consistent with 2023 and 2024. Employee engagement levels were sustained at 8, reflecting strong alignment between employees and management, active participation in company initiatives, and positive collaboration across teams. The improvement achieved in 2024 (from 7 in 2023 to 8) was maintained, indicating continued workforce commitment and organizational cohesion.

Workforce wellbeing indicators demonstrate continued positive momentum. Total missed workdays declined from 371 in 2023 to 118 in 2025, representing a further improvement following the significant reduction recorded between 2023 and 2024. The employee absentee rate improved from 0.51% in 2024 to 0.31% in 2025, reflecting a relative decrease of approximately 39% year-on-year.



This sustained improvement is supported by proactive HR measures, including flexible work schedules, strengthened internal communication, enhanced social engagement activities, and structured monitoring of absenteeism and turnover trends. Together, these initiatives contribute to improved attendance patterns, workforce stability, and operational continuity.

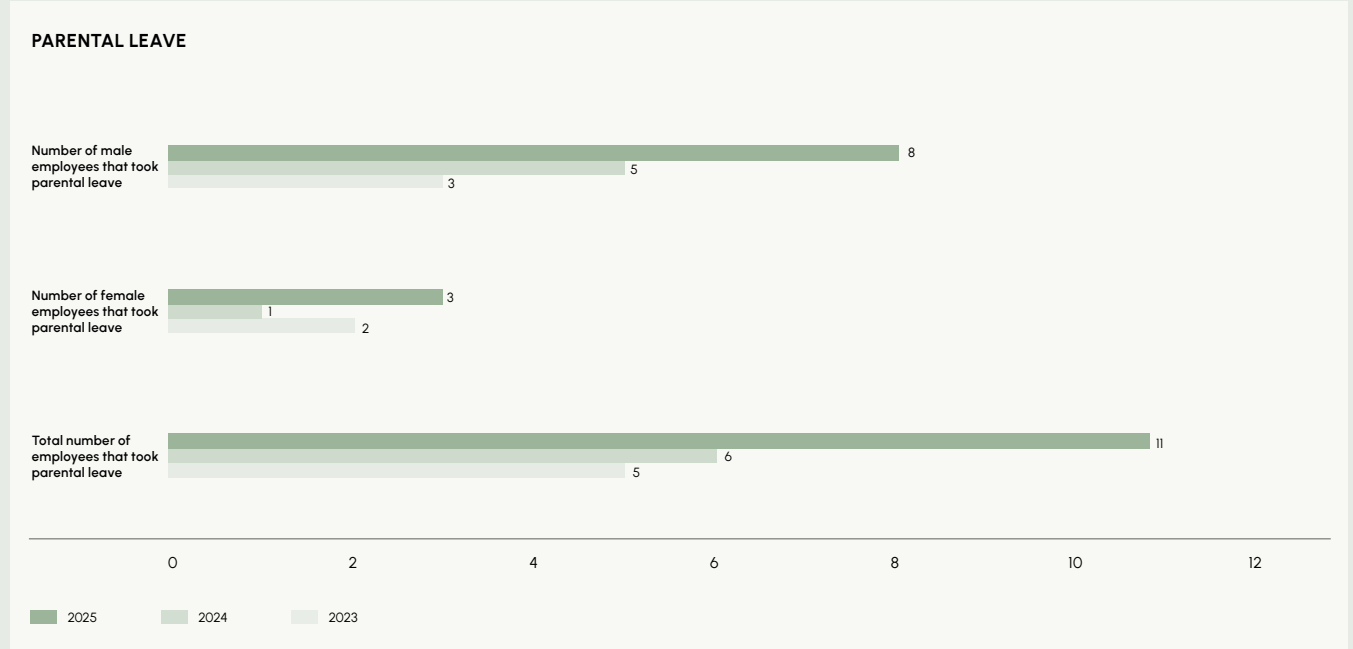
By combining competitive compensation, flexible policies, structured engagement mechanisms, and data-driven workforce monitoring, Dar Al Arkan reinforces employee morale and long-term organizational effectiveness. Through its approach to recruitment, wellbeing, compensation, and workplace culture, the Company aims to attract skilled professionals, support their long-term development, and foster an environment in which employees are motivated to grow with the organization over time.

Parental Leave

Supporting employees through key life stages forms an integral part of Dar Al Arkan's inclusive employment practices. The Company's parental leave framework promotes work-life balance, safeguards employment continuity, and facilitates structured reintegration following leave.

In 2025, 11 employees utilized parental leave, reflecting continued uptake across the workforce. Of those taking leave in 2025, 3 were female employees and 8 were male employees, reinforcing shared family responsibilities and inclusive parental policies. Return-to-work performance remained strong. In 2025, all female employees who completed parental leave during the reporting period returned to work, resulting in a 100% return-to-work rate (2024: 100%; 2023: 50%).

Structured return-to-work processes, including HR follow-ups, role continuity planning, and reintegration support, help ensure smooth transitions and sustained career progression. By maintaining clear parental leave arrangements and reintegration mechanisms, Dar Al Arkan fosters an inclusive workplace culture that recognizes family commitments while supporting long-term workforce participation.



By maintaining clear parental leave arrangements and reintegration support mechanisms, Dar Al Arkan continues to foster an inclusive workplace environment that recognizes family commitments while supporting sustained workforce participation and long-term engagement. Dar Al Arkan continues to view parental support measures as part of a broader effort to build an inclusive workplace where employees feel valued and supported throughout their careers.

Diversity and Inclusion



Dar Al Arkan is committed to fostering a workplace grounded in equity, inclusivity and respect.

The Company seeks to ensure that all employees and contractors are treated fairly and provided with equal opportunities to contribute, and advance based on merit, skills and performance. Diversity and inclusion considerations are embedded across multiple organizational layers - from recruitment and workforce

planning to leadership representation and employee engagement - and are monitored through clear performance indicators, including gender balance, age distribution and national representation.

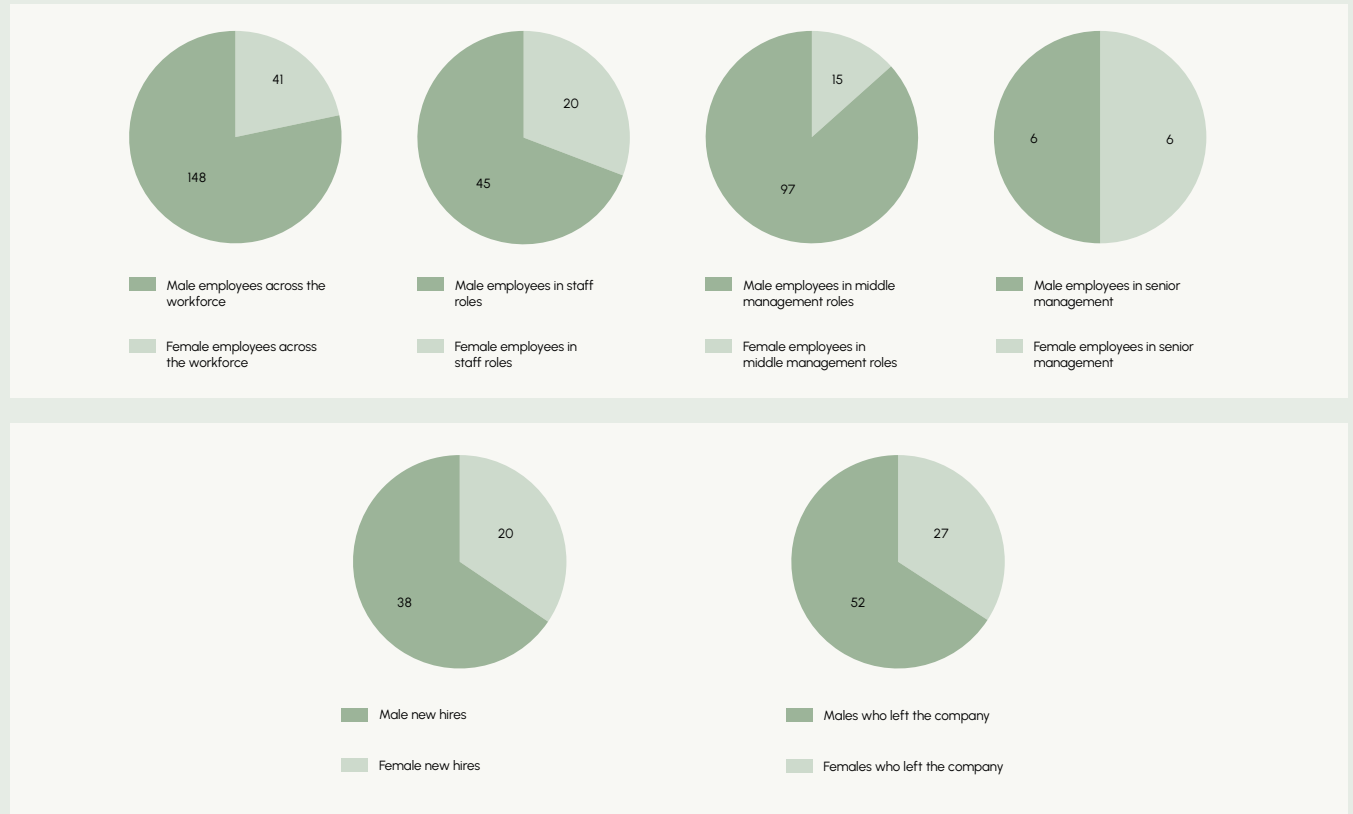
Female Inclusivity

As the organization continues to evolve in line with its strategic priorities and operational focus, workforce composition has also adjusted accordingly. In 2025, female representation across the total workforce was 21.7% in 2025, compared to 23.8% in 2024. While the overall proportion of female employees declined slightly year-on-year, gender diversity remains embedded within leadership structures and key functional areas.

Dar Al Arkan remains committed to advancing female participation across organizational levels, with particular emphasis on leadership representation and equitable employment practices. In 2025, women held 50% of senior management roles (6 out of 12 positions), maintaining the strong representation recorded in 2024 (50%). This sustained parity at senior leadership level remains a notable highlight and reflects the Company's continued commitment to empowering women in strategic decision-making positions.

The number of women in middle management rose from 13 to 15, despite a reduction in total middle management positions overall. Within staff roles, female representation stood at 30.8% in 2025, compared to 40.5% in 2024. This shift reflects broader workforce restructuring and changes in role composition during the year.

Of new hires, women represented 34.5% in 2025. While the proportion of female joiners declined year-on-year, female representation among employees who left the organization also decreased significantly - from 54.4% in 2024 to 34.2% in 2025. The more balanced distribution of joiners and leavers in 2025 contributed to stabilizing female representation within leadership levels, particularly in senior and middle management roles. These trends reflect evolving recruitment patterns aligned with business needs, while maintaining continued female presence in key positions.

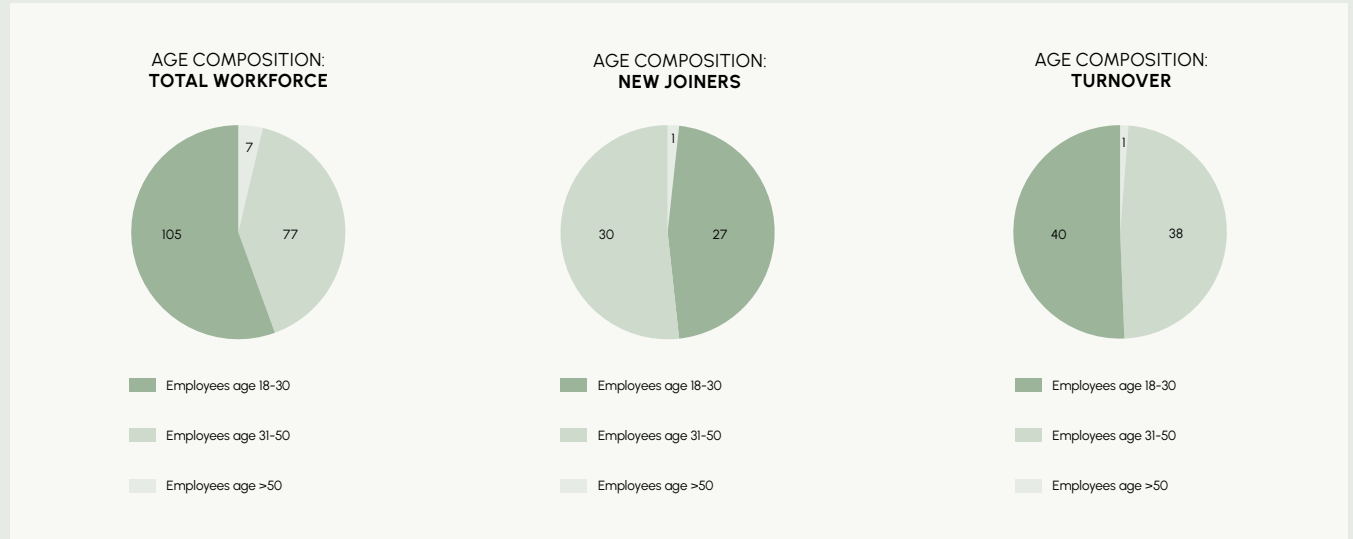


As Dar Al Arkan recognizes that advancing gender diversity is a continuous journey, the Company continues to support female career progression through leadership visibility, professional development opportunities, and inclusive workplace policies. By maintaining strong female representation at senior levels and strengthening participation in middle management, Dar Al Arkan reinforces its commitment to inclusive leadership and long-term organizational resilience.

Age Representation and Youth Empowerment

Dar Al Arkan values a balanced workforce that combines the energy and innovation of younger professionals with the experience and institutional knowledge of more seasoned employees. This intergenerational mix supports knowledge transfer, strengthens decision-making, and enhances operational resilience across the Company's real estate and land development activities.

In 2025, employees aged 18-30 represented 55.6% of the total workforce, compared to 51.9% in 2024. Despite an overall reduction in headcount, the proportional representation of younger employees increased, reflecting the Company's continued integration of early-career professionals across business functions. Employees aged 31-50 represented 40.7% of the workforce (2024: 38.1%), while employees above 50 accounted for 3.7% (2024: 10.0%). This distribution illustrates a workforce structure that blends emerging talent with experienced professionals capable of providing mentorship, technical depth and strategic oversight.



In 2025, 46.6% of new hires were aged 18-30, compared to 55.8% in 2024. While the proportion of youth joiners declined year-on-year, younger professionals continued to represent a significant share of recruitment, supporting succession planning and long-term capability development. Employees aged 18-30 accounted for 50.6% of total leavers in 2025, compared to 56.1% in 2024. The reduction in proportional youth departures year-on-year indicates gradual stabilization within this segment. At the same time, recruitment in the 31-50 age category increased to 51.7% of joiners (2024: 42.9%), reinforcing the Company's efforts to maintain a healthy balance between emerging and experienced talent.

Dar Al Arkan supports younger employees through structured onboarding, on-the-job learning, supervisory coaching and exposure to cross-functional collaboration. At the same time, experienced employees play a central role in mentoring, leadership continuity and knowledge preservation. By fostering an inclusive environment where employees at all career stages can grow and contribute meaningfully, the Company strengthens workforce sustainability, enhances internal mobility, and ensures that both innovation and expertise remain embedded within its organizational culture.

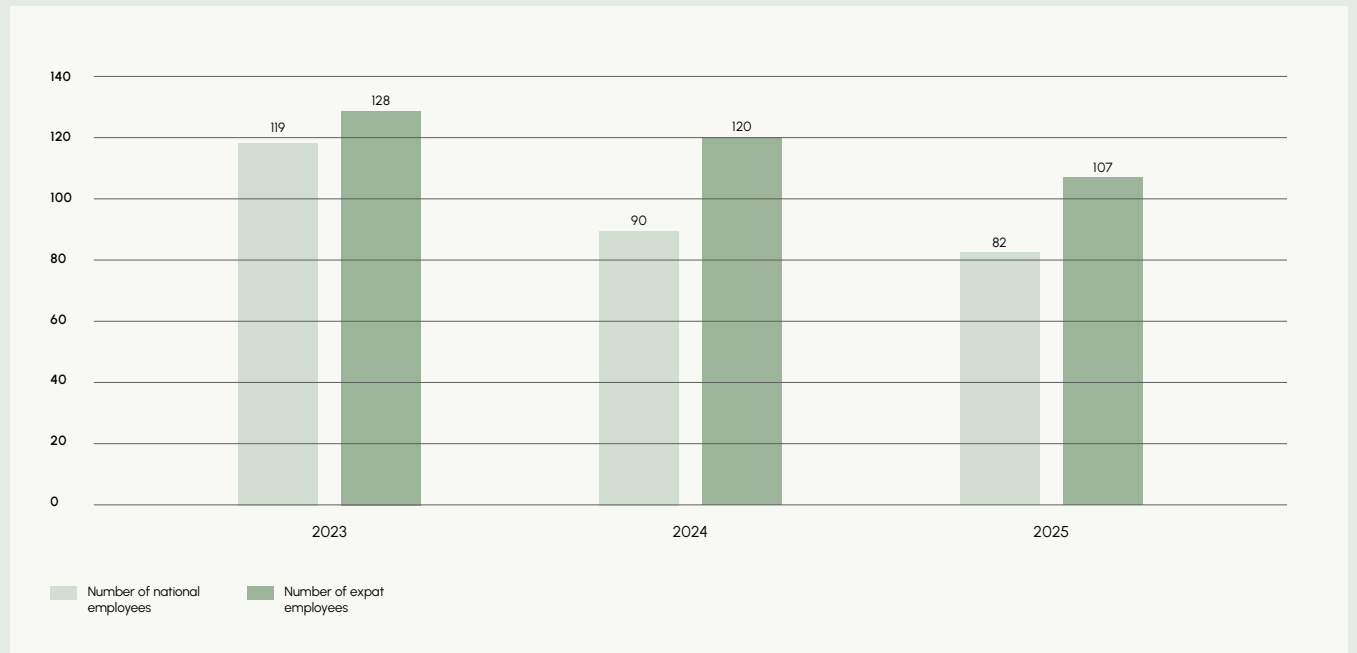
Saudi Nationalization

Dar Al Arkan prioritizes workforce localization in alignment with national development objectives, while maintaining a diverse and internationally experienced talent base. The Company's workforce in 2025 represented 16 nationalities, reflecting both cultural diversity and access to specialized expertise.

In 2025, national employees represented 43.4% of the total workforce, compared to 42.9% in 2024.

National employees also continued to hold a strong presence in senior management. In 2025, 58.3% of senior management roles were held by Saudi nationals (7 out of 12 positions), compared to 50.0% in 2024. This increase represents a notable 2025 highlight and reinforces alignment with workforce localization objectives at the highest levels of decision-making.

Dar Al Arkan remains committed to developing national talent through leadership visibility, professional development and integration into strategic roles. By strengthening national representation at senior levels while maintaining a diverse workforce drawn from multiple nationalities, the Company balances local insight with international expertise - supporting operational effectiveness, regulatory alignment and sustainable growth.



Human Rights Protection

Dar Al Arkan maintains a publicly available **Human Rights Policy** that formalizes its commitment to respecting internationally recognized human rights standards across its operations and value chain. Since the end of 2024, the Company has implemented a structured human rights due diligence framework designed to proactively identify, assess, and manage potential human rights risks. This framework remained fully operational throughout 2025 and strengthens systematic oversight of labor standards, ethical conduct, and responsible business practices.

The Policy applies comprehensively to all employees, as well as to contractors, outsourced personnel, suppliers, vendors, business partners, and service providers. By extending its expectations beyond its direct workforce, Dar Al Arkan reinforces responsible sourcing practices and promotes consistent standards of fair treatment across all business relationships.

The Company's due diligence process follows a continuous improvement cycle that begins with formal policy commitment and governance oversight, followed by structured risk identification and assessment. Where potential risks are identified, mitigation measures and corrective action plans are implemented, supported by ongoing monitoring, periodic review, and transparent reporting. This systematic approach enables early identification of potential issues and strengthens accountability throughout the value chain.

The framework addresses human rights risks relevant to the real estate and construction sector, including the prohibition of child labor and forced labor, non-discrimination and equal opportunity, fair wages and timely payment, safe and healthy working conditions, freedom of association, and the prevention of harassment or exploitation. Through this preventive and structured approach, Dar Al Arkan reinforces a culture of respect, fairness, and ethical conduct across its operations.



Fair Treatment and Grievance Mechanisms

Dar Al Arkan maintains a zero-tolerance stance toward discrimination, harassment, retaliation, or any form of unfair treatment. Clear codes of conduct and workplace policies apply to employees, contractors, and third parties, setting expectations for respectful behavior and professional integrity.

To support these standards, the Company provides accessible and confidential whistleblowing and grievance channels available to both employees and external stakeholders. Concerns may be submitted anonymously through an independent hotline, a dedicated email channel, or directly to designated compliance or HR representatives. All reports are reviewed and investigated promptly, impartially, and in accordance with established procedures. A strict non-retaliation policy safeguards individuals who raise concerns in good faith, and material matters are escalated to senior management and the Board or its relevant committee to ensure appropriate oversight.

Performance data reflects the effectiveness of these preventive and governance mechanisms. In 2025, no employee-related or performance-related grievances were filed (2024: 0; 2023: 1, which was fully resolved). In addition, 2025 marked the sixth consecutive year in which zero incidents of discrimination or harassment were reported. This sustained record demonstrates the strength of the Company's policies, leadership accountability, and workplace culture.

0

Employee-related or performance-related grievances were filed

0

Incidents of discrimination or harassment were reported

By maintaining clear governance structures, defined responsibilities and measurable diversity indicators, Dar Al Arkan reinforces its commitment to a respectful and inclusive work environment. These foundations support workforce stability, enhance organizational performance and contribute to long-term sustainable growth.

Customer Experience

Creating enduring value for stakeholders is central to Dar Al Arkan's business model. The Company holds a strong focus on sustaining strong economic performance while delivering high-quality experiences for customers, buyers, and tenants. By combining disciplined financial management with a customer-centric approach, Dar Al Arkan supports long-term growth, enhances asset quality, and strengthens relationships built on reliability, quality, and trust. This structured customer engagement model is applied consistently across Dar Al Arkan and its international associate, Dar Global, ensuring alignment in service standards and relationship management practices across markets.

Customer experience is embedded across the full lifecycle of Dar Al Arkan's developments - from design and construction to handover and ongoing property management. The Company places strong emphasis on quality, reliability, and timely delivery to meet and exceed customer expectations. Continuous attention to design standards, functionality, and service quality supports positive buyer and tenant experiences across its portfolio.

Dar Al Arkan's Customer Relationship Management (CRM) function plays a central role in ensuring a seamless and personalized client journey. A dedicated CRM Account Manager initiates a structured welcome and onboarding process, beginning with a personal Welcome Call to introduce themselves, verify key client information, and share direct contact details for ongoing support. This early engagement establishes a single point of contact and reinforces accountability throughout the relationship.

As part of the onboarding process, the CRM team initiates Know Your Customer (KYC) documentation to better understand client preferences, expectations, and investment objectives. Beyond compliance, this process enables personalized engagement, including recognition of important personal or cultural milestones. By integrating client insights into its CRM systems, Dar Al Arkan strengthens relationship management and enhances tailored service delivery.

Client satisfaction surveys are conducted following key milestones, allowing the Company to capture feedback, identify improvement opportunities, and maintain high service standards. In addition, a structured referral program encourages satisfied customers to share their experience, supporting organic growth through trusted relationships.

Throughout the project lifecycle, the CRM Account Manager maintains regular communication via email, phone, and in-person meetings. Clients receive construction progress updates, newsletters, timeline notifications, and relevant announcements, reinforcing transparency and proactive engagement. The CRM function acts as a central coordination point to ensure inquiries are addressed efficiently and consistently.

Customer service requests are managed through Salesforce Service Requests (SRs), ensuring structured tracking, documentation, and closure of all tickets. Defined service-level agreements (SLAs) guide response and resolution timelines, while a clear escalation matrix supports the management of complex issues. This systemized approach enhances responsiveness, accountability, and service reliability.

Dar Al Arkan maintains long-term relationships with clients by sharing information on new project launches, special offers, and investment opportunities.

To further enhance accessibility and engagement, Dar Al Arkan is also developing a dedicated mobile application aimed at streamlining communication, service requests, and real-time updates - reinforcing its commitment to digital innovation and customer convenience across both Dar Al Arkan and Dar Global operations.

Community Engagement and Well-being

Dar Al Arkan's people-centered approach extends beyond its workforce to the communities in which it operates. As a leading real estate developer, the Company recognizes that long-term value creation is intrinsically linked to social contribution, inclusive development, and the well-being of local stakeholders.

In 2025, community engagement efforts were particularly visible through initiatives hosted at Al Qasr Mall in Riyadh - a flagship lifestyle and family destination inaugurated in 2013 and strategically located south of downtown Riyadh. As a vibrant community hub, the mall continues to serve not only as a commercial center but also as a platform for social outreach, charitable engagement, and public awareness programming.

Throughout the year, Al Qasr Mall hosted and supported a range of charitable and community-focused initiatives in collaboration with local associations and health institutions. These included partnerships with Friends Association, Rahmaa Association, Gheras Association for Child Development, Seha Association, Saqya Water Association, Qalb Association, Namar Association, Hayatuna Association, Saei Association, Inaya Association, and Maknoon Association for Quran Memorization. In addition, activities were conducted in cooperation with the First Health Cluster, including Laban Health Center, Namar Health Center, King Saud Hospital and other affiliated facilities.

These initiatives covered diverse social themes such as health awareness, child development, charitable fundraising, community support, and access to essential services. By providing accessible space and visibility for nonprofit organizations and public health entities, Dar Al Arkan contributed to strengthening community networks and supporting vulnerable groups within the capital.

Beyond hosting charitable activities, the Company continues to align its land development and asset management practices with broader community well-being considerations. Responsible master planning, accessible retail environments, and family-oriented programming reinforce the role of its developments as inclusive spaces that enhance quality of life.

Looking ahead, Dar Al Arkan aims to further formalize its community engagement framework by establishing clearer impact tracking, structured partnerships, and alignment with national social development priorities. The Company remains committed to ensuring that its developments function not only as economic assets but also as platforms for positive social impact.



Trusted Governance and Sustainable Growth

At Dar Al Arkan, strong governance and responsible business practices are fundamental to sustainable success. We recognize that transparency, ethical conduct, and effective oversight are essential not only for regulatory compliance, but also for building trust with stakeholders, protecting long-term value, and supporting resilient growth.

Our approach encompasses governance, ethics, and transparency, responsible supply chain management, economic performance, sustainable building practices, and digitalization. Through robust governance structures, careful oversight of supply chains, prudent economic management, and the adoption of innovative technologies and sustainable construction methods, we aim to create enduring impact for investors, partners, customers, and communities, while contributing meaningfully to the Kingdom's national development priorities.

Material Topics

- Governance, Ethics and Transparency
- Responsible Supply Chain
- Sustainable Buildings
- Digitalization

Alignment Saudi Vision 2030

- A Thriving Economy
- An Ambitious Nation
- A Vibrant Society

Alignment UNSDGs



Governance, Ethics and Transparency

Dar Al Arkan's approach to responsible business emphasizes robust governance, ethical conduct, and accountability. The Company ensures that decisions are made with integrity and that economic, social, and environmental considerations are embedded across all aspects of its operations. A structured governance framework supports strategic oversight, risk management, regulatory compliance, and long-term value creation.

Board of Directors Composition and Oversight

The governance of Dar Al Arkan is anchored in a highly qualified Board of Directors, elected through the General Assembly for a four-year term. In 2025, the Board comprised six members, including two independent directors (33.3%) and four non-independent members, bringing expertise in real estate, finance, sustainability, and regulatory affairs. Executive management, including the CEO and senior executives, is responsible for implementing the company's strategy and day-to-day operations, while non-executive and independent directors provide strategic guidance, oversight, and objective assessment.

The Board operates through three standing committees that ensure comprehensive governance and oversight:

<p>Audit Committee Oversees financial reporting integrity, internal controls, risk management effectiveness, and compliance processes.</p>
<p>Remuneration & Nomination (R&N) Committee Evaluates Board and executive performance, recommends remuneration policies, and ensures alignment with long-term strategic objectives.</p>
<p>Executive Committee Monitors operational execution, approves operational plans, and reviews implementation of corporate strategy, including ESG-related initiatives.</p>

The Board ensures that Dar Al Arkan's governance framework fully integrates structured risk management and compliance mechanisms. Through the formal **Risk Management Policy**, the Board oversees systematic risk identification, assessment, and mitigation across all business units, ensuring risks are managed in line with defined risk appetite and strategic priorities.

ESG Governance and Oversight

ESG considerations are embedded into Dar Al Arkan's overall governance framework and enterprise risk management processes. The Board maintains oversight of sustainability-related risks and opportunities, ensuring alignment between corporate strategy, risk appetite and ESG priorities.

Oversight Structure and Responsibilities

Board of Directors

Provides ultimate oversight of sustainability-related risks and opportunities and reviews ESG performance as part of strategic decision-making.

Executive Management

Responsible for implementing ESG strategy, integrating sustainability objectives into operational plans, and reporting progress to the Board.

Cross-functional ESG Team

Coordinates day-to-day management of sustainability-related risks and initiatives across departments.

Audit Committee

Oversees internal controls, compliance systems, and risk management processes, including ESG-related risks.

Sustainability-related risks – including regulatory, environmental, operational, reputational, and market risks – are assessed under the Company's formal Risk Management Policy. These risks are evaluated in line with strategic objectives and defined risk appetite thresholds.

The Board receives regular updates through structured presentations from executive management and functional leaders. These include environmental metrics (energy, emissions, water, waste), social indicators (workforce composition, health and safety, nationalization), and governance matters.

Sustainability considerations are incorporated into discussions of major transactions, capital allocation decisions, and operational planning. Where necessary, external consultants and technical specialists provide input. ESG-related trade-offs are evaluated at executive level prior to escalation to the Board where needed.

Management oversight is further strengthened through integration of sustainability KPIs into performance discussions, periodic management awareness sessions, and alignment with compliance and internal control systems. This structured model ensures accountability at both strategic and operational levels.

Ethical Conduct and Responsible Business Practices

Dar Al Arkan maintains a comprehensive ethical framework governing conduct across all business activities. The Company has established formal policies covering **Anti-corruption and Anti-Bribery, Fraud prevention, Anti-money laundering (AML), Insider trading, Delegation of Authority, Whistleblowing and grievance handling, Conflicts of interest, and Competition law compliance.** Responsibilities are clearly defined within this framework. The Board and its Committees provide oversight of ethical and compliance risks. Executive management ensures implementation across business functions. Governance, Risk, Compliance, Legal, HR, Finance, and Procurement departments are responsible for operationalizing controls within their respective areas. Policy compliance is embedded into management performance objectives, and adherence is monitored through internal control and audit processes.

Policies are accessible via the Company intranet, introduced during onboarding, and reinforced through periodic training and awareness initiatives. In 2025, Dar Al Arkan further formalized its governance commitments through the development of **three ESG Position Statements** covering **Ethical Business Conduct, Health and Safety, and Environmental Stewardship.** These statements articulate clear principles and responsibilities, reinforce zero tolerance for bribery and corruption, strengthen oversight of environmental and safety risks, and support consistent decision-making across operations and project sites.

Anti-Corruption, Anti-Bribery, and Fraud Prevention

Dar Al Arkan maintains a structured compliance and internal control framework designed to prevent, detect and respond to bribery, corruption, fraud and money laundering risks. The Company applies a zero-tolerance approach to unethical conduct, recognizing that integrity and regulatory compliance are essential to long-term value creation and stakeholder confidence.

In 2025, Dar Al Arkan formalized its commitment through the **Anti-Bribery and Anti-Corruption Position Statement.** Bribery is defined as offering, giving, receiving, or soliciting any undue advantage intended to improperly influence decisions. Corruption is defined as the abuse of entrusted power for personal or corporate gain, including fraud, extortion, collusion, embezzlement, concealment, and misuse of company assets. Facilitation payments are strictly prohibited. These requirements apply to the Board of Directors, senior management, employees, contractors, agents, suppliers and other business partners.

Corruption risk management is embedded within Dar Al Arkan's broader governance and risk management systems. Preventive controls include clear segregation of duties, transparent approval procedures, accurate financial recording, structured third-party due diligence processes, and defined conflict-of-interest disclosure mechanisms. Real, potential, or perceived conflicts must be disclosed promptly and managed under

established governance procedures, with related-party transactions disclosed in accordance with regulatory requirements.

The Anti-Fraud Policy complements this framework by addressing financial misstatement, asset misappropriation, procurement irregularities, insider profiteering, contract manipulation, vendor collusion, and misuse of delegated authority. The policy applies equally to employees and external parties conducting business with the Company. The Internal Audit Department leads investigations of suspected fraud in coordination with the Legal Department. Findings are escalated to senior management and, where appropriate, to the Audit Committee. Confirmed violations may result in disciplinary measures, termination of contracts, or referral to authorities. Employees provide annual written acknowledgement of the Fraud Policy, and key external parties acknowledge compliance contractually.

Anti-Money Laundering

In parallel, Dar Al Arkan operates a formal **Anti-Money Laundering (AML) Policy** aligned with applicable regulatory requirements and recognized local standards promoting adequate internal controls and transparent financial practices. AML awareness and training are provided regularly to senior management and employees, including during 2025, reinforcing vigilance in financial and transactional activities and strengthening detection and reporting capabilities.

Training and awareness programs across anti-corruption, ethical conduct and AML requirements support effective implementation and reinforce individual accountability. Internal audit reviews and compliance monitoring provide assurance over the effectiveness of controls and enable continuous improvement.

During the 2025 reporting period, there were no confirmed incidents of corruption, no public legal cases related to corruption, no legal actions concerning anti-competitive behavior, and no significant incidents of non-compliance with laws and regulations. The Company maintains dedicated reporting channels, including whistleblowing and grievance mechanisms, through which concerns may be raised confidentially or anonymously. All reports are reviewed in accordance with established compliance and internal control procedures, and no substantiated breaches were identified during the reporting period.

Ethical Conduct and Responsible Business Practices

Insider Trading Controls and Delegation of Authority

In line with Capital Market Authority (CMA) Market Conduct Regulations, Dar Al Arkan maintains controls to prevent insider trading and unlawful disclosure of inside information. These controls include trading restriction periods for designated persons, financial reporting deadline blackout periods, and strict "need-to-know" access protocols for confidential information.

Regular awareness communications regarding trading in Dar Al Arkan shares, combined with internal monitoring and compliance checks, support the early identification and investigation of potential breaches. Confirmed violations are reported to regulators where legally required.

In parallel, through the **Delegation of Authority Policy**, the Company ensures that financial commitments, expenditures, investments, and related-party transactions are approved by individuals with clearly defined authority levels. This structure reinforces accountability, transparency, and ethical decision-making across the organization.

Whistleblowing, Grievance and Escalation Mechanisms

Dar Al Arkan maintains secure whistleblowing and grievance mechanisms that enable employees and stakeholders to raise concerns confidentially or anonymously. Reports are assessed by

management and relevant control functions, including Risk, Compliance, and Internal Audit. Critical governance or compliance issues are escalated to the Board or relevant Committees through formal reporting channels.

Potential conflicts of interest must be disclosed and communicated to the Board and Executive Committee. Related-party relationships, cross-shareholdings, and transactions are disclosed in the Annual Report and financial statement notes where required.

All concerns are investigated in accordance with established procedures, with root-cause analysis conducted where relevant to prevent recurrence.

Competition Law and Public Policy Engagement

The Company manages the risk of anti-competitive risk through a formal **Competition Law framework**. Employees are required to consult the Legal department when interacting with competitors or participating in trade associations. Regarding public policy engagement, senior executives assess significant policy positions in advance, considering benefits, risks, stakeholder expectations, and strategic alignment. Recommendations are submitted to the Board and relevant Committees for review.

Internal Audit and Compliance Assurance

Dar Al Arkan maintains an independent internal audit function responsible for evaluating the effectiveness of internal controls, governance processes, and compliance systems. The Audit Committee oversees internal control integrity, risk management effectiveness, and regulatory compliance.

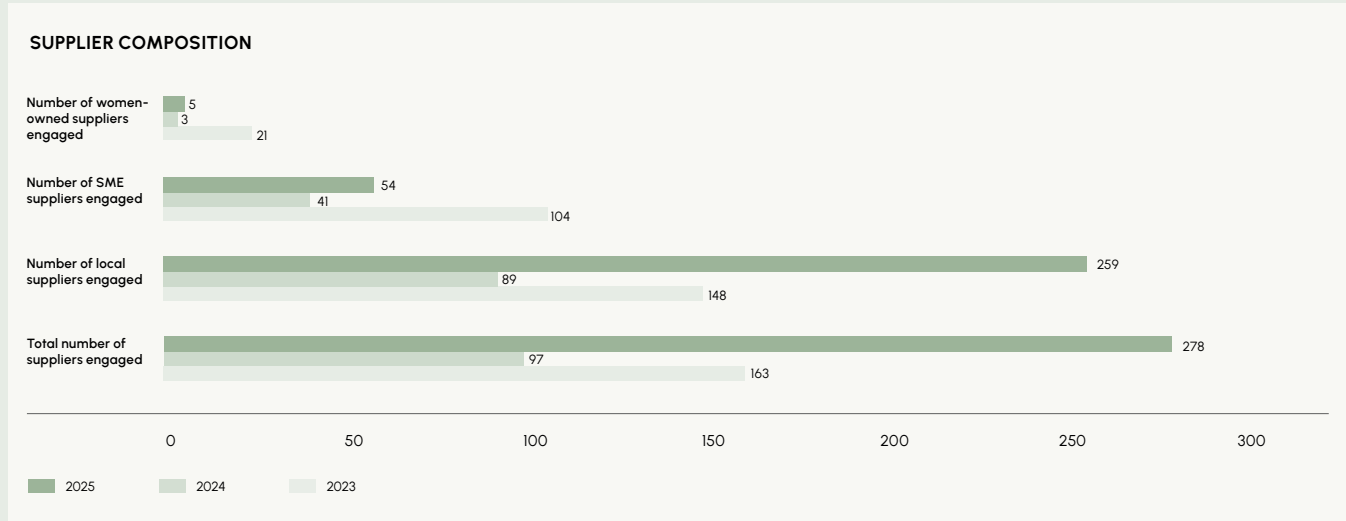
Through structured ESG oversight, clearly defined accountability mechanisms, comprehensive ethical policies, and transparent reporting practices, Dar Al Arkan continues to reinforce a governance framework that supports responsible growth, regulatory compliance, and long-term stakeholder confidence.

Responsible Supply Chain

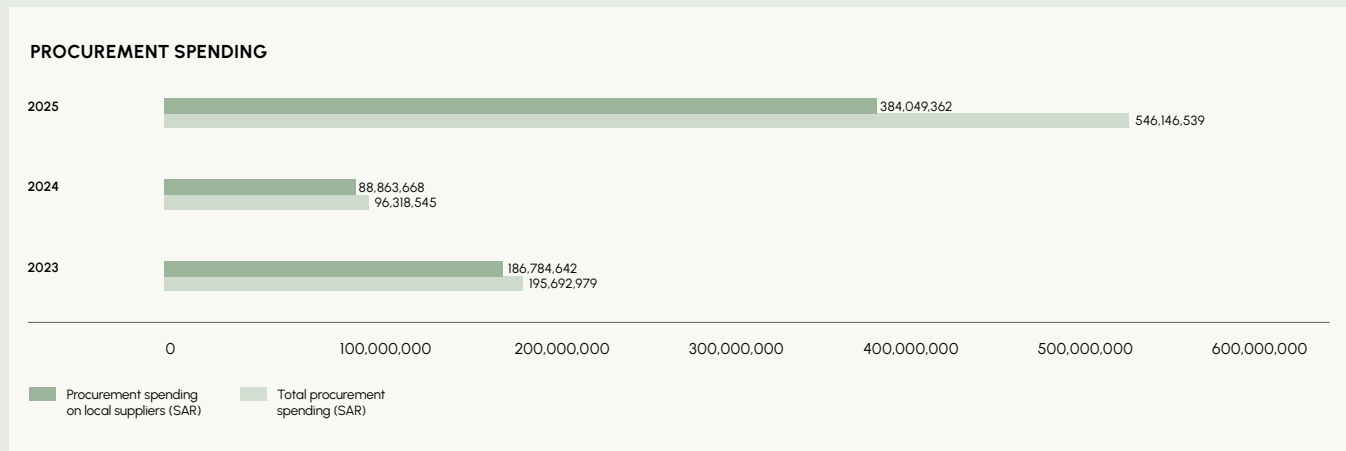
Dar Al Arkan is committed to fostering a resilient, ethical, and inclusive supply chain that supports sustainable value creation across its operations. Responsible sourcing and procurement practices are central to this approach, ensuring that suppliers and contractors uphold the same standards of integrity, transparency, and accountability that guide the Company's own operations.

Supplier Engagement and Local Procurement

In 2025, Dar Al Arkan significantly expanded supplier engagement in line with the growth of its project portfolio. Several new projects were launched during the year, resulting in increased construction activity, broader material requirements, and higher procurement volumes. As a result, the total number of suppliers engaged rose to 278, of which 259 were local suppliers, 54 were SMEs, and 5 were women-owned businesses.



Total procurement spending also increased substantially to SAR 546 million, reflecting the scale and intensity of ongoing development activities. Of this amount, 70.3% was directed toward local suppliers, demonstrating continued commitment to strengthening domestic supply chains and contributing to national economic development objectives. As the Company's development footprint grew, engagement with contractors and suppliers naturally increased to meet additional material, service, and construction requirements.



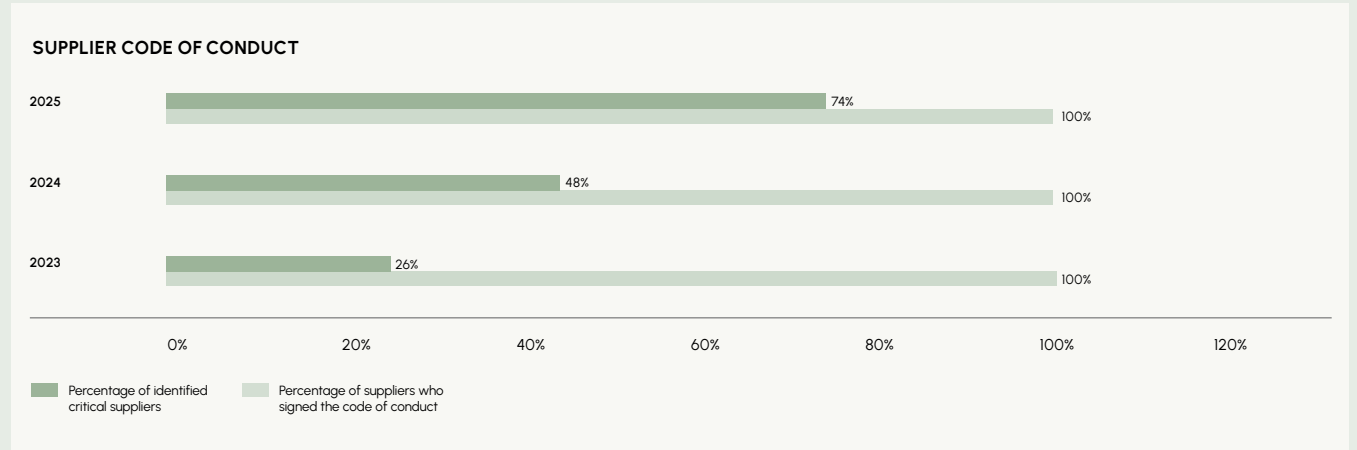
By prioritizing local procurement and supporting SME participation, Dar Al Arkan contributes to broader economic value creation and inclusive market participation, while maintaining operational resilience and delivery capacity.

Supplier Code of Conduct

Ethical sourcing is reinforced through the Company's **Supplier Code of Conduct**, which establishes clear expectations regarding compliance, integrity, labor standards, and responsible business practices. All suppliers are required to sign and adhere to the Code, and 100% of suppliers remained covered in 2025.

In 2025, the percentage of identified critical suppliers increased to 74% (2024: 48%). This increase reflects both the expansion of the project portfolio and changes in material requirements. Certain materials used in newly launched projects - such as internationally imported marble sourced - are classified as long-lead items. Delays in production, shipping, or customs clearance for such materials could significantly affect project timelines. As a result, these suppliers require closer monitoring and have been categorized as critical.

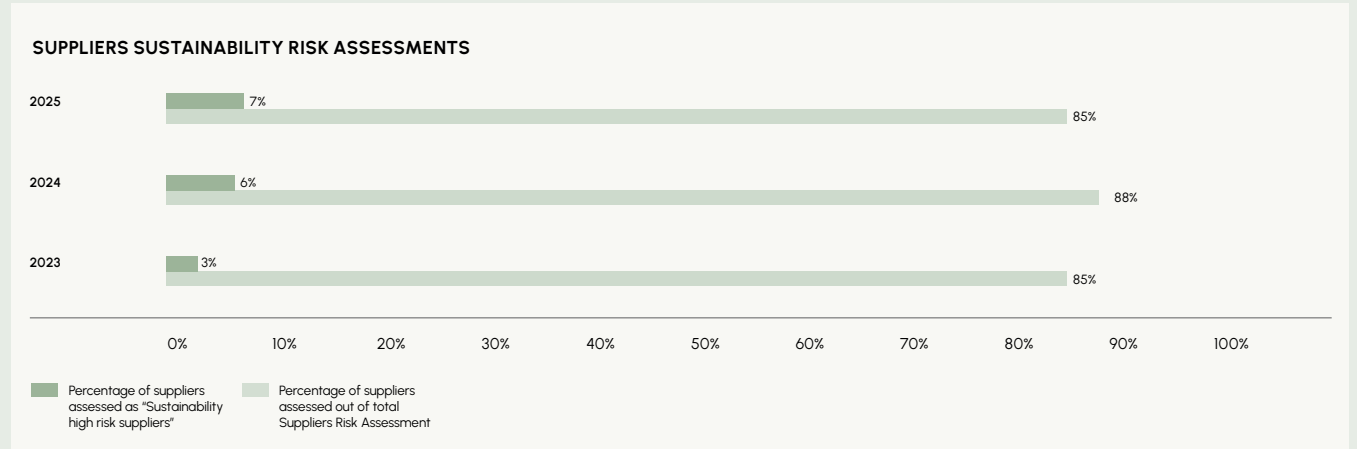
The higher percentage of critical suppliers in 2025 therefore reflects a more risk-informed classification approach rather than increased supply chain vulnerability. As the number of long-lead and high-impact materials grew with portfolio expansion, enhanced oversight mechanisms were applied to safeguard operational continuity and delivery schedules. Regular engagement with critical suppliers supports proactive risk management, performance monitoring, and alignment with Dar Al Arkan's ESG expectations.



Sustainability Risk Assessment

Dar Al Arkan integrates environmental, social, and governance considerations into supplier management through structured sustainability risk assessments. Suppliers are periodically evaluated to identify potential ESG risks, and corrective actions are implemented where necessary.

In 2025, 85% of suppliers underwent sustainability risk assessment. Of those assessed, 7% were categorized as high-risk. The slight increase in high-risk classification reflects the expanded supplier base and the broader identification of critical suppliers associated with long-lead materials and new project requirements. As the project portfolio expanded, the supply chain became more complex, involving a greater number of suppliers and specialized materials. This naturally led to more granular risk identification and classification, indicating strengthened oversight.



Suppliers that do not meet environmental or social standards are subject to engagement, corrective action plans, enhanced monitoring, or discontinuation where necessary. This structured approach supports informed procurement decisions, enhances transparency, and reinforces alignment with Dar Al Arkan's governance and sustainability expectations.

Embedding ESG in Supply Chain Practices

While formal integration of ESG criteria into the overarching supply chain strategy remains under development, Dar Al Arkan continues to progressively embed sustainability considerations into procurement and supplier management practices.

In 2025, expanded engagement with local suppliers, strengthened monitoring of critical suppliers, and consistent sustainability risk assessments demonstrate the Company's commitment to integrating ESG considerations into operational decision-making. As the project portfolio grows, procurement processes continue to evolve to ensure that environmental, social, and governance risks are systematically identified and managed.

By advancing responsible procurement practices, Dar Al Arkan enhances operational resilience, supports local economic growth, and reinforces long-term sustainability outcomes. This approach aligns with national development priorities under Vision 2030 while maintaining the high standards of integrity, compliance, and transparency that define the Company's operations.

Economic Performance

Economic performance remains a key driver of long-term value creation at Dar Al Arkan. The Company's diversified portfolio, disciplined capital management and focus on operational efficiency support financial resilience and sustainable growth. Through prudent financial governance and a balanced funding approach, Dar Al Arkan continues to strengthen its ability to deliver value to shareholders while supporting broader stakeholder interests.

Detailed information on financial results, revenue performance, profitability, capital structure, liquidity position, dividend policy and forward-looking outlook is provided in the Financial Review and Corporate Governance sections of the 2025 Annual Report.



Sustainable Buildings

Sustainability considerations are incorporated into the design and development of Dar Al Arkan's projects, with a focus on efficiency, quality, and long-term performance. Building designs consider resource efficiency, operational effectiveness, and the use of innovative construction methods where applicable. These practices support reduced environmental impact over the lifecycle of developments while delivering high-quality assets aligned with market expectations and regulatory standards.

In 2025, we continued to advance our approach to sustainable building design. While no projects have yet reached completion, several initiatives reflect a clear commitment to environmental performance and innovation. Notably, the company is developing a sustainable 3 million sqm island project in the Eastern Province, where villas are designed on stilts to preserve the natural site and coastal ecosystem. Green building principles, such as careful land use, water management, and energy-conscious design, are embedded in the planning of this landmark development.

Furthermore, Dar Al Arkan is pursuing recognized energy certifications, including a LEED certificate for its sustainable sales office design, once the design is finalized. These steps highlight the company's focus on integrating internationally recognized standards into its developments and on creating buildings that are efficient, resilient, and aligned with best practice sustainability benchmarks.

While the procurement of certain construction materials - such as wood - is managed by main contractors, the Company ensures that sustainability expectations are communicated throughout its tendering and contractor management processes, encouraging responsible sourcing and environmentally conscious project delivery.

Advancing Low-Carbon Construction through 3D Concrete Printing

Dar Al Arkan is advancing sustainable construction innovation through the deployment of 3D Concrete Printing (3DCP) technology in partnership with COBOD. The Company invested early in this technology, acquiring BOD2 construction printers in 2021 and launching pilot projects to evaluate its suitability for permanent buildings that comply with national construction standards.

In 2022, Dar Al Arkan completed Saudi Arabia's first 3D-printed villa at Shams Al Riyadh. The 345 m², 9.9-meter-tall structure, constructed in approximately 26 days, represented an important milestone for the Kingdom's construction sector and was reported as one of the world's tallest on-site 3D-printed buildings at the time of completion. The project demonstrated the practical potential of additive manufacturing technologies to support more efficient and sustainable real estate development.

Beyond construction speed, the environmental performance of 3DCP is significant. The technology can reduce construction time by more than 50%, requires only three workers to complete a housing unit, and uses less concrete compared with traditional construction methods, helping lower embodied carbon, reduce material waste, and minimize site disruption.

The villa also incorporates a range of energy-efficiency and smart building features. Additional insulation layers can deliver up to 30% energy savings, while heat-reflective nano-technology applied to exterior walls improves thermal resistance by up to 40%. The building is equipped with smart home systems that digitally control functions such as lighting, air conditioning, doors, and locks, supporting more efficient building operation. Nine rooftop solar panels generate electricity for lighting and heating systems, further reducing operational energy demand.

The construction process also supports sustainability through localized material sourcing. The structure primarily uses locally produced cement, sand, rocks, and stones, with only a small proportion of imported binder material. This approach helps reduce transportation-related emissions while supporting local supply chains.

Building on the success of the initial project, Dar Al Arkan has continued to explore additional applications for 3D construction printing across residential, commercial, and industrial developments. Pilot initiatives include modular accommodation units for the NEOM development, small commercial structures such as drive-through coffee kiosks, and specialized infrastructure projects developed in collaboration with clients including Saudi Aramco.

Importantly, the technology can be printed directly on site even in extreme summer conditions without cooling or shading, enabling deployment across different climatic environments within the Kingdom. Through continued investment in advanced construction technologies, Dar Al Arkan is helping demonstrate how innovation can reduce environmental impacts while improving construction efficiency.

As Chairman Yousef Al Shelash noted during the World Economic Forum Annual Meeting,

"Developing sustainably is about embracing and using the technology that's out there and facilitating green practices wherever possible."

Through these initiatives, Dar Al Arkan continues to contribute to the advancement of low-carbon, digitally enabled construction practices, supporting the goals of Saudi Vision 2030 and the Kingdom's net-zero emissions ambition for 2060.

Digitalization

Digitalization plays a central role in driving operational efficiency, data security, and resilient business practices at Dar Al Arkan. Guided by a Cloud-First, Security-By-Design approach, the Company leverages digital tools to optimize project management, reduce resource consumption, and enhance collaboration across teams and stakeholders.

Cybersecurity and Data Protection

Protecting corporate data and safeguarding the privacy of employees and customers are business-critical priorities. Oversight of IT and cybersecurity risks is maintained at the Board of Directors level, ensuring alignment with enterprise-wide risk management and strategic priorities. Regular reporting, audits, and risk assessments enable the Board to monitor performance, assess emerging risks, and guide investments in digital tools and security infrastructure.

In 2025, the Company maintained zero successful cyberattacks and zero data breaches involving personally identifiable information, reflecting the effectiveness of a multi-layered cybersecurity framework. This framework combines advanced technologies, procedural controls, and continuous monitoring to detect, prevent, and neutralize potential threats.

Key measures include:

Access and Identity Management: Strict role-based access control (RBAC), multi-factor authentication (MFA), session timeouts, regular password renewal, and enhanced backup and recovery mechanisms.

Endpoint and Perimeter Protection: USB access restrictions, IP filtering, automated content filtering, and advanced phishing detection capabilities.

Threat Monitoring and Response: Extended Detection and Response (XDR) deployed across devices and servers, monthly vulnerability scanning, continuous threat modeling, and proactive corrective actions against attempted attacks.

Physical Workspace Security: Clean Desk Policy and alignment of physical security measures with digital security standards.

In addition, Dar Al Arkan conducted biannual cyber resilience and disaster recovery stress tests, simulating ransomware and major system failure scenarios to validate recovery readiness and minimize operational disruption. External cybersecurity audits and SACS-002 certification audits reinforce compliance with recognized standards and demonstrate digital resilience.

Employee awareness is another critical aspect to maintaining our strong cybersecurity and digital resilience. In 2025, 80% of our employees completed mandatory annual cybersecurity awareness training, complemented by monthly phishing simulations and targeted initiatives addressing emerging threats. Moving forward, Dar Al Arkan aims for 100% training completion to reinforce a culture of vigilance and shared responsibility for protecting digital assets.

Digital Enablement and Operational Efficiency

Our digital strategy emphasizes scalable, secure, and efficient workflows. In 2025, the company progressed with the implementation of Oracle Unifier, a unified project management platform, centralizing real estate project workflows, document management, and approvals. This initiative reduces paper usage, eliminates redundant reporting, and enhances operational transparency.

Other digital initiatives include:

Unified Communication Platforms: Tools like MS Teams and Zoom to support flexible work arrangements, reduce travel, and lower operational emissions.

Centralized Collaboration Platforms: SharePoint and digital workflows to enhance document control, streamline communication, and improve decision-making efficiency.

Through these initiatives, Dar Al Arkan leverages technology to strengthen operational resilience, reduce environmental impact, protect sensitive information, and enhance customer and stakeholder experiences - ensuring that digitalization is fully integrated into the company's sustainable growth strategy.

Financial



Review

Message of the Chief Financial Officer



Philip Antony
CHIEF FINANCIAL OFFICER

"Our 2025 financial performance reflects disciplined execution, resilient demand, and a continued focus on maintaining a strong and balanced capital structure."

In 2025, Dar Al Arkan delivered another year of strong financial performance, reflecting disciplined execution, resilient demand across our developments, and the strength of our diversified real estate portfolio. Despite a dynamic global economic environment, the Company continued to strengthen its financial position while advancing key development projects aligned with Saudi Arabia's long-term growth trajectory.

Total revenues reached SAR 3.90 billion in 2025, a 3.7% increase compared to 2024, primarily driven by higher property sales. Strong operational execution supported notable improvements in profitability across all key financial indicators: gross profit rose by 15.2% to SAR 1.84 billion, operating profit increased by 19.0% to SAR 1.69 billion, and net profit after Zakat and tax reached SAR 1.13 billion, a 40.5% year-on-year increase. This growth reflects higher property sales, improved operational efficiency, and increased contributions from associates and short-term Islamic deposits.

Dar Al Arkan maintained a robust balance sheet, with total shareholders' equity reaching SAR 22.23 billion at year-end and book value per share increasing to SAR 20.60. Earnings per share rose to SAR 1.05, demonstrating the Company's continued ability to generate sustainable value for shareholders. Our equity shares also performed strongly, ending the year at SAR 15.94, representing an absolute annual increase of 5.56% and outperforming the Tadawul index by 18.41%.

Maintaining diversified and well-balanced funding remains fundamental to our financial strategy. During 2025, Dar Al Arkan successfully

raised approximately SAR 8.5 billion in medium- to long-term financing from international debt capital markets as well as local and regional banks. Our ability to secure this liquidity reflects the strength of our credit profile, built consistently over many years. In July, the Company successfully issued its 14th Sukuk amounting to SAR 2.81 billion (USD 750 million), maturing in June 2030 and listed on the London Stock Exchange and Nasdaq Dubai. In addition, the Company secured new bilateral facilities from local and regional banks totaling SAR 5.7 billion. During the same period, the Company repaid approximately SAR 3.98 billion from internal resources, including a Sukuk of SAR 2.25 billion (USD 600 million) redeemed in February 2025. This balanced approach ensures seamless access to capital at highly competitive costs, supporting the financing of both new and ongoing development projects as well as operational requirements. Together with off-plan sales and a growing portfolio of rental properties, this strategy positions the Company to execute its strategic growth plans while maintaining strong financial flexibility.

Investor engagement remained a priority. The Investor Relations team actively communicated with 185 institutional investors and 266 retail investors, participating in nine conferences and earnings calls, totaling 636 investor touch points. This proactive engagement, anchored in transparency and regulatory compliance, reinforced market confidence and supported long-term shareholder value creation.

Looking ahead, Dar Al Arkan is well-positioned to capitalize on the continued growth of Saudi Arabia's real estate sector. Demographic demand, ongoing economic diversification under Vision 2030, and major national initiatives such

as Expo 2030 and the 2034 FIFA World Cup are expected to stimulate infrastructure investment and real estate development across the Kingdom.

With a solid financial foundation, disciplined capital management, diversified funding sources, and a growing development portfolio, Dar Al Arkan remains committed to delivering sustainable long-term value to shareholders, investors, and partners.

I extend my sincere appreciation to our shareholders, investors, partners, employees, and other stakeholders for their continued trust and commitment, which remain instrumental to the Company's success.

FINANCIAL REVIEW

1. Business Activities

Dar Al Arkan Real Estate Development Company is a Saudi Joint Stock Company which started its business in 1994 under Commercial Registration No. 1010160195 and converted to a joint stock Company in 2005 under Ministerial Decree No. 1021 dated 10/06/1426 HD, corresponding to 17/07/2005.

Operating primarily within the Kingdom of Saudi Arabia (KSA), Dar Al Arkan is regarded as leader in real estate development. To broaden its investment portfolio and secure a wider range of revenue sources, the Company has strategically established a network of limited liability companies.

2. The Company's Subsidiaries

Sr. No.	Company Name	Capital (SAR)	Principal Activity	Country of Incorporation	Ownership %	Commercial Registration	Entity Type
1	Dar Al Arkan Properties (Real Estate) Company	500,000	Development and acquisition of the commercial and residential properties. Management, operations and maintenance of residential and commercial buildings and public facilities	Kingdom of Saudi Arabia	100%	1010254063	Limited Liability Company
2	Dar Al Arkan Commercial Investment Company	500,000	Purchase and acquisition, lease of real estate investments	Kingdom of Saudi Arabia	100%	1010247585	Limited Liability Company
3	Dar Al Arkan Sukuk Company	500,000	Real estate investment and development	Kingdom of Saudi Arabia	100%	1010256421	Limited Liability Company
4	Sukuk Al Arkan Company	500,000	Management, maintenance and development of real estate, purchase of land and general contracting	Kingdom of Saudi Arabia	100%	1010274407	Limited Liability Company
5	Dar Sukuk International Company	500,000	Real Estate investments and development	Kingdom of Saudi Arabia	100%	1010275448	Limited Liability Company
6	Compass Project Contracting Company	100,000	Real Estate investments and developments, leasing, and property management	Kingdom of Saudi Arabia	100%	1010521509	Limited Liability Company
7	Maaqel Real Estate Company	500,000	Real Estate, leasing and property management	Kingdom of Saudi Arabia	100%	1010600708	Limited Liability Company
8	Masale Al Enjaz Operation & Maintenance Company	5,000	Engage in renovation of residential and non-residential buildings, retail sale of electronic and household electrical appliances, systems analysis, Real estate development of residential buildings using modern construction methods.	Kingdom of Saudi Arabia	80.38%	1009051454	Limited Liability Company

3. Investments in subsidiary companies as defined by the rules of the Capital Market Authority ("CMA")

Sr. No.	Company Name	Capital (SAR)	Principal Activity	Country of Incorporation	Ownership %	Commercial Registration	Entity Type
1	Khazam Real Estate Development Company	540,287,280	Real estate development (development of Gasr Khazam Project)	Kingdom Of Saudi Arabia	66.5%	4030193909	Limited Liability Company
2	Alkhair Capital Saudi Arabia Company	1,000,000,000	Undertaking underwriting, management, arrangement and financial advisory services (Except for the implementation of marginal deals)	Kingdom Of Saudi Arabia	42.2%	1010264915	Closed Joint Stock Company
3	Dar Global PLC	6,750,810	Real estate activities i.e. development, buying and selling of own real estate	United Kingdom	88%	14388348	Public Limited Company

4. Description of company's activities and contribution to revenues

Prior to fiscal year 2023, Dar Al Arkan's operations included its international subsidiary, Dar Global PLC, which managed the company's international development projects. Following Dar Global's successful listing on the London Stock Exchange in February 2023, the international operations previously associated with Dar Global have been deconsolidated. As a result, our reported operations from the year 2023 primarily focus on activities within the Kingdom of Saudi Arabia. Dar Al Arkan mainly operates as four distinct divisions, as follows:

4.1 PROPERTIES DEVELOPMENT

Our Property Development activities include:

- **LAND PROJECTS:** We focus on the initial development of raw land, including essential infrastructure such as roads, utilities, and drainage systems. This prepares the land for further construction projects
- **RESIDENTIAL AND COMMERCIAL PROJECTS:** We develop both residential and commercial properties. This encompasses the entire process from initial planning and construction to the final sale of individual units within these projects.

During the fiscal year 2025 this division accounted for SAR 3,463 million, representing 88.80% of the Company's total revenues, as compared to SAR 3,450 million, or 91.78% in 2024.

Off-plan sales of the properties are in progress. For the year 2025, the Company recognized SAR 1,801 million from Off-plan sales of the projects.

FINANCIAL REVIEW

4.2 ASSET MANAGEMENT

Property Management and Leasing is Dar Al Arkan's second largest division. Leasing and management of properties that the Group has retained as rental properties including commercial and residential units on its Master-Planned Communities for generating recurring revenues. In 2025, revenues generated in Asset Management amounted to SAR 149 million and represented 3.83% of Group revenues as compared to SAR 143 million and 3.81% of total revenues in 2024.

4.3 INVESTMENTS

These represent strategic investments in companies that the management believes are complementary to the Group's real estate development operations. This also includes investment in Dar Global PLC that is classified as associate and accounted for under equity method from the year 2023 upon successful listing to London Stock Exchange.

During 2025, the Company earned SAR 337 million as share of net profits from associates and joint ventures.

During 2025, the Company also earned Other Income of SAR 467 million mainly representing profit from short term Islamic Deposits.

4.4 OTHERS

This represents revenue from the retail sales of luxury furniture and project management & construction revenue from the inclusion of Compass results whose status is changed from an associate to subsidiary during 2025.

Revenue of SAR 9 million was generated in 2025 from retail sales of luxury furniture compared to SAR 8 million in 2024. Whereas revenue from project management and construction during the year 2025 was SAR 278 million compared to 158 million in 2024.

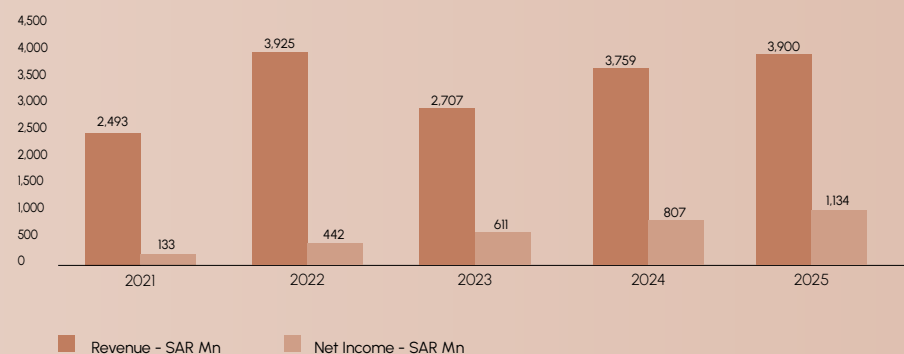
5. Financial Highlights

5.1 INCOME STATEMENT FOR THE FISCAL YEARS 2021 TO 2025

The following table illustrates the main income statement items for the last five years. This should be read in conjunction with the audited consolidated financial statements and accompanying notes.

Item (in SAR '000s)	2021	2022	2023	2024	2025
Revenues	2,493,078	3,925,499	2,707,100	3,759,022	3,899,802
Cost of revenue	(1,596,350)	(2,467,912)	(1,636,694)	(2,159,014)	(2,056,193)
Gross profit	896,728	1,457,587	1,070,406	1,600,008	1,843,609
Principal activities expenses	(211,945)	(357,934)	(205,096)	(265,901)	(256,558)
Net income from principal activities	684,783	1,099,653	865,310	1,334,107	1,587,051
Financing expense	(662,977)	(681,637)	(764,459)	(853,906)	(1,037,479)
Net other Income	113,636	170,370	525,567	328,332	804,689
Net income before Zakat	135,442	588,386	626,418	808,533	1,354,261
Zakat provisions	(2,922)	(146,666)	(15,660)	(20,595)	(220,341)
Net profit - continuing Operations	132,520	441,720	610,758	787,938	1,133,920
Net profit - discontinued operations	0	0	0	18,902	0
Net profit	132,520	441,720	610,758	806,840	1,133,920
Earnings per share - continuing operations	0.12	0.41	0.57	0.73	1.05
Earnings per share - discontinued operations	0.00	0.00	0.00	0.02	0.00
Earnings per share	0.12	0.41	0.57	0.75	1.05

TOTAL REVENUE AND NET INCOME FROM 2021 TO 2025



FINANCIAL REVIEW

5.2 BALANCE SHEET FOR THE FISCAL YEARS 2021 TO 2025

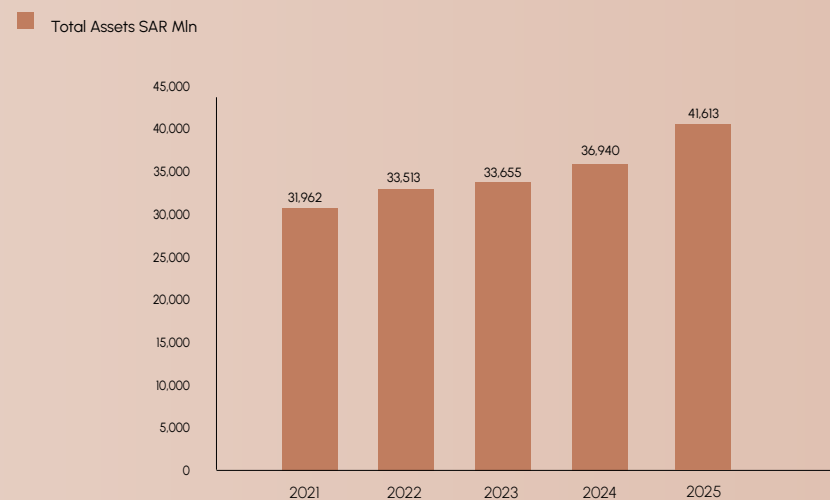
The following table illustrates the main balance sheet items for the last five years. This should be read in conjunction with the audited consolidated financial statements and accompanying notes.

Item (in SAR '000s)	2021	2022	2023	2024	2025
Current Asset	10,293,182	10,540,261	9,466,538	11,372,015	11,240,776
Non-current Asset	21,590,845	22,886,536	24,084,997	25,478,593	30,300,801
Fixed Asset	77,653	86,056	103,769	89,614	71,384
Total Asset	31,961,679	33,512,853	33,655,304	36,940,222	41,612,961
Current Liabilities	5,740,259	6,067,519	4,282,247	7,715,165	6,360,419
Non-Current Liabilities	7,061,791	7,841,206	9,081,176	8,124,343	13,019,456
Total Liabilities	12,802,050	13,908,725	13,363,423	15,839,508	19,379,875
Capital	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
Statutory and Other reserve	1,155,147	1,204,359	1,345,419	1,329,274	1,329,066
Retained earnings	7,204,483	7,599,769	8,146,462	8,965,334	10,098,228
Non-controlling interests	0	0	0	6,106	5,792
Total shareholders' Equity*	19,159,630	19,604,128	20,291,881	21,100,714	22,233,086
Total Liabilities and Shareholders' Equity	31,961,680	33,512,853	33,655,304	36,940,222	41,612,961
Book value per share*	17.74	18.15	18.79	19.54	20.60

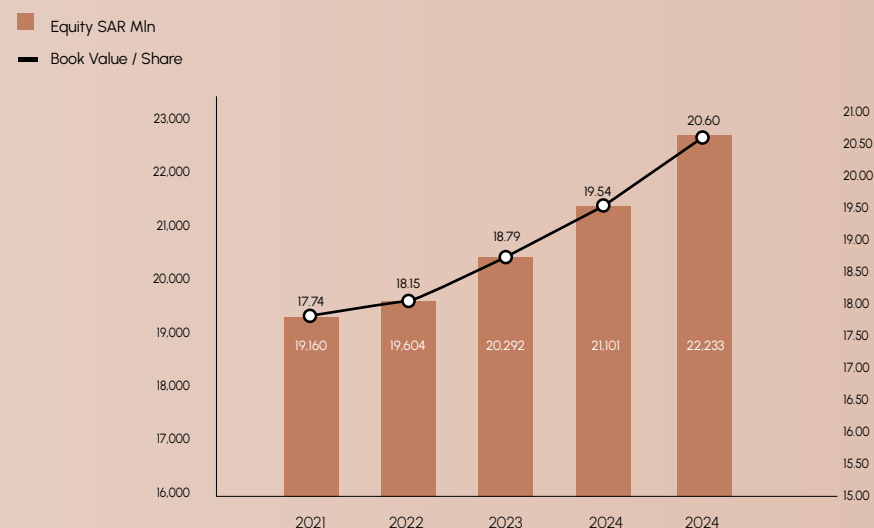
*Book value per share is calculated by dividing the total shareholders' equity by total number of outstanding shares at the end of each fiscal year.

Note: The Company discloses that for commercial and practical reasons, it registers some of real estate assets under the name of representatives or agents, in return for official documents against them evidencing the Company's ownership of these assets. This procedure is adopted by some local Saudi banks and companies. However, the Company only undertook this course of action following legal consultation that assures the soundness of this practice, which preserves the Company's shareholders' rights.

TOTAL ASSETS FROM 2021 TO 2025



SHAREHOLDERS' EQUITY AND BOOK VALUE PER SHARE FROM 2021 TO 2025



FINANCIAL REVIEW

5.3 GEOGRAPHICAL ANALYSIS OF COMPANY REVENUE FOR THE YEAR 2025

SAR thousands					
Location (in SAR '000s)	Development properties	Lease	Residential developments	Others	Total
Western region - KSA	306,161	0	11,424	0	317,585
Central Region - KSA	1,469,591	149,366	339,910	9,111	1,967,978
Investment	1,336,372	0	0	277,867	1,614,239
Total	3,112,124	149,366	351,334	286,978	3,899,802

The Company relies on diversification of its revenue from leasing of properties, sale of investments in lands and properties within Kingdom of Saudi Arabia. It is important to note that significant portion of revenue derives from the sale of investments in lands, which are not geographically based investments.

5.4 RESULTS OF OPERATIONS

The following table compares the results of operations for 2025 and 2024:

Item (in SAR 000's)	2025	2024	Change	Change %
Revenues	3,899,802	3,759,022	140,780	3.75%
Cost of revenue	(2,056,193)	(2,159,014)	102,821	4.76%
Gross Profit	1,843,609	1,600,008	243,601	15.22%
Principal activities expenses	(256,558)	(265,901)	9,343	3.51%
Net income from principal activities	1,587,051	1,334,107	252,944	18.95%
Financing expense	(1,037,479)	(853,906)	(183,573)	21.50%
Net other Income	804,689	328,332	476,357	145.08%
Net Income before Zakat provisions	1,354,261	808,533	545,728	67.50%
Zakat provision	(220,341)	(20,595)	(199,746)	969.88%
Net profit - continuing operations	1,133,920	787,938	345,982	43.91%
Net profit - discontinued operations	-	18,902	(18,902)	-
Total Net profit	1,133,920	806,840	327,080	40.54%
Earnings Per Share	1.05	0.75	0.30	40.00%

FINANCIAL REVIEW

REVENUES

Our total revenue for 2025 is SAR 3,900 million, reflecting an increase of 3.75% compared to SAR 3,759 million in 2024. This shift in revenue can be attributed to strategic adjustments in our sales approach.

BULK LAND SALES: We recorded a decrease of 56.93% in bulk land sales, with revenue totalling SAR 1,336 million in 2025, compared to SAR 3,102 million in 2024. We expect favourable market conditions and strong growth potential in the future. By retaining these assets, we are well-positioned to capitalize on this anticipated upside.

OTHER RESIDENTIAL PROPERTIES: Positively, sales of other residential properties exhibited an increase of 11.78%, with revenue of SAR 351 million in 2025 compared to SAR 314 million in 2024.

RENTAL REVENUE: Increased by 4.20%, reaching 149 million in 2025, compared to SAR 143 million in 2024.

OFF-PLAN SALES: Recognition of revenue from off-plan sales projects saw a multifold increase in 2025, reaching SAR 1,801 million against SAR 158 million in 2024 due to revenue recognition of Shams Ar Riyadh 4A & 4B, Etoile & Buraidah.

COST OF REVENUE

Cost of revenue accounted for SAR 2,056 million in 2025 representing 52.72% of total revenue compared to SAR 2,159 million in 2024 representing 57.44% of total revenues. This increase is in accordance with increased revenue in 2025 compared to 2024.

SELLING AND GENERAL ADMINISTRATIVE EXPENSES

Selling and general administrative expenses are SAR 257 million in 2025, compared to SAR 266 million in 2024, representing a decrease of 3.38%. This decrease is primarily attributable to lower salary costs, reduced expenditure on exhibitions and seminars, and lower travel expenses.

FINANCE CHARGES

Net finance charges of SAR 1,037 million in 2025, compared to SAR 854 million in 2024, an increase of 21.43%. This increase is primarily due to greater exposure to borrowings.

NET OTHER INCOME

Net other income is SAR 805 million in 2025, compared to SAR 328 million in 2024. The significant increase in net other income is mainly attributable to a significant increase in our share of net profit from associates and an improvement in profit from short term Islamic deposits.

NET INCOME

Net income in 2025 is SAR 1,134 million compared to SAR 807 million in 2024. Earnings per share is SAR 1.05 in 2025, compared to SAR 0.75 in 2024. In summary, our net income experienced a significant increase primarily driven by an increase in revenue, an increase in share of net profits from associates, and an improvement in profit from Islamic deposits. This growth was partially offset by higher finance costs.

LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2025, the Company had a cash and cash equivalents of SAR 7,480 million, compared to SAR 6,725 million as of 31 December 2024.

FINANCIAL REVIEW

CASH FLOW

The following table sets out the Company's cash flows for the financial periods 2023 to 2025:

	SAR millions		
	2023	2024	2025
Funds from / (used in) Operating Activities	1,426	814	(3,319)
Funds used in Investing Activities	(1,173)	(836)	(311)
Funds from / (used in) Financing Activities	(732)	1,297	4,386

The net cash flow used in operating activities is SAR 3,319 million in 2025, compared to SAR 814 million in 2024. The decrease is primarily attributed to higher cash usage for the replenishment of development properties as compared to the previous year and higher servicing of finance costs.

The net cash flow used in investing activities of SAR 311 million in 2025, compared to SAR 836 million in 2024.

The net cash flow from financing activities is SAR 4,386 million in 2025, compared to SAR 1,297 million in 2024. This was primarily due to the availment of new Murabaha facilities of SAR 5,651 million and an issue of Sukuk of SAR 2,813 million. This was partially offset by the redemption of Murabaha of SAR 1,737 million, and redemption of Sukuk of SAR 2,250 million.

PROJECTS AND INVESTMENT EXPENDITURES

The Company's priorities for expenditure on projects include building integrated residential developments and developing of existing lands. The Company spent SAR 5,894 million in 2025 primarily on replenishing the investment in land and developing projects for retail sales.

6. Debt Program

6.1 FINANCING STRATEGY

Dar Al Arkan's financial strategy primarily focused on matching its project investment cycle of three months to ten years with the maturity profile of its funding. The company continues to diversify its sources of funding to avoid any dependency on any specific source. The company has successfully implemented its funding strategy, which is evident from the issuance of a series of local and international Shariah-compliant Sukuks. The company has issued fourteen Sukuks since 2007.

The total funds raised through Sukuk amounted to SAR 26.8 billion, of which SAR 18.7 billion had been repaid by the end of 2025. The remaining SAR 8.1 billion maturity is spread till 2030. Pursuant to its diversification strategy, the company has successfully established good relationship with local, regional, and international banks where it has achieved medium and long-term financing through Islamic Murabaha facilities for general corporate purposes. The total outstanding amount at the end of 2025 was SAR 16.0 billion including SAR 7.9 billion under the bank facilities.

The ratio of International Islamic Sukuks to total financing amount at the end of 2025 was 50.48%, whereas the Murabaha with local and regional banks were 49.52%. In future, the Company's financing strategy will continue to focus on further diversifying its sources of funding including, acquiring project specific financing from local and regional banks, as well as exploring International Sukuk markets. Additionally, the company continued selling off-plan properties, providing another source of funding directly from customers. The Company has also developed a portfolio of rental properties, which can be used as collateral for loans from financial institutions. Given the excellent track record, it will continue maintaining this relationship by accessing the domestic and international capital markets.

6.2 INDEBTEDNESS

All financing taken by the Company locally is Shariah-compliant and follow the structures of Murabaha transaction. Below is a description of the repayments and outstanding debts at the end of 2025.

6.2.1 Indebtedness details & increase in financing at the end of 2025

During 2025, the Company raised new Murabaha and other loan facilities from local Banks of SAR 5.7 billion and repaid some of the local bilateral Murabaha facilities amounting to SAR 1.7 billion.

SAR millions								
Bilateral Islamic Facilities	Settlement	Original Amount	Starting Date	Opening Balance	Addition During 2025	Paid During 2025	Closing Balance	Maturity
Murabaha: Local Bank The Saudi Investment Bank	Half yearly settlement	800	Q2 2019	565	190	81	674	Q4 2031
Murabaha: Local Bank SAMBA	Quarterly settlement	600	Q3 2020	67	0	67	0	Closed
Murabaha: Qatar National Bank	Half yearly settlement	250	Q1 2023	212	0	53	159	Q3 2028
Murabaha: Local Bank Saudi National Bank	Quarterly settlement	1,500	Q3 2022	500	171	500	171	Q3 2035
Murabaha: Bank Muscat	Half yearly settlement	150	Q2 2023	118	0	21	97	Q2 2030
Murabaha: Local Bank The Saudi Investment Bank	Bullet	150	Q2 2022	150	30	0	180	Q4 2027
Murabaha: SICO (Escan Muscat)	Half yearly settlement	300	Q2 2022	210	0	210	0	Closed
Murabaha: Local Bank Alinma	Quarterly settlement	3,000	Q3 2025	0	3,000	0	3,000	Q2 2030
Murabaha: ENBD - KSA Branch	Quarterly settlement	1,500	Q1 2024	1,374	0	305	1,068	Q2 2029
Murabaha: ENBD - Dubai Branch	Quarterly settlement	2,000	Q1 2025	0	2,000	500	1,500	Q1 2028
Commodity Murabaha: The Saudi Investment Bank	Bullet	0.1	Q4 2025	0	0.1	0.0	0.1	Q2 2026
Commercial Loan: ENBD - USD	Half yearly settlement	99	Q3 2024	620	197	0	817	Q1 2029
Commercial Loan: ENBD - AED	Half yearly settlement	31	Q3 2024	178	63	0	242	Q1 2029
Gross Total				3,994	5,651	1,737	7,908	

The ratio of gross debt to capitalization stood at 41.81% at the end of 2025. The closing cash balance increased to SAR 7.48 billion at the end of 2025 compared to SAR 6.72 billion at the end of 2024. The increase was primarily driven by higher borrowings from Murabaha and Sukuk, and improved collections from receivables. However, increased spending towards purchase of bulk land had an adverse impact on cash balance.

6.2.1 Indebtedness details & increase in financing at the end of 2025 (continued)

SUMMARY OF THE MURABAHA AND SUKUK DUE MATURITIES

Maturity	SAR millions		
	Outstanding balance	Murabaha	Sukuk
2026	2,888	1,388	1,500
2027	3,420	1,920	1,500
2028	1,610	1,610	0
2029	3,298	1,048	2,250
2030 onwards	4,754	1,942	2,812
Total	15,970	7,908	8,062

STATEMENT OF PAYMENTS DUE

Item	SAR thousands		
	2023	2024	2025
Payables	647,874	254,230	313,192
Accrued expenses	510,270	466,641	1,346,193
Indemnity	31,627	38,517	41,835
Dividend payable	8,307	8,292	8,234
Others	1,588,417	3,143,878	1,203,144
Total	2,786,495	3,911,558	2,912,598

7. Related party transactions

During 2025, the company entered transactions with related parties. The company followed the same procedures as with other non-related parties. These transactions are not limited to certain duration and are presented in the Annual General Meeting (AGM) to obtain the required approvals for the current year and the coming one. Following is a brief of these transactions:

SHL FINANCE COMPANY (SHL)

SHL Finance Company (SHL) is a related party, and the company had originally invested SAR 120 million representing a 15% equity stake. The common Board members between SHL and Dar Al Arkan is Mr. Yousef Bin Abdullah Al Shelash.

During Q2 2022, SHL has offered 30% of its paid-up capital to the public through an initial public offering and became a publicly listed company. Accordingly, as part of this IPO transaction, the Group disposed of its 4.5% holding and lost significant influence over SHL. Hence, the retained interest of 10.5% is classified as investments in financial assets.

In the ordinary course of business, the company enters transactions with SHL. These transactions were meant for financing Dar Al Arkan's customers to buy homes. The choice of SHL as a home loan provider is at the discretion of the customer. During 2025, there were sales of SAR 2.3 million which were paid off by SHL during the year and no outstanding balance to be paid or settled with this related party. This transaction was approved during the AGM on June 29, 2025.

KHOZAM REAL ESTATE DEVELOPMENT COMPANY (KDC)

Khozam Real Estate Development Company (KDC) is a related party as the company has 66.5% equity holding equivalent to 35,929,104 shares out of total equity of 54,028,728 shares and also has a common member in Board of Managers who are in the Board of Directors of Dar Al Arkan. The common management committee member is Mr. Yousef Bin Abdullah Al Shelash. The management of KDC requested that it invests its excess cash balance with Dar Al Arkan at a nominal interest repayable on demand to facilitate its working capital needs. Opening balance as at the beginning of 2025 amounted to SAR 188.67 million. During 2025 the company repaid SAR 0.13 million of this amount in advance; together with interest of SAR 0.96 million for its operational requirements. The closing balance as at 31 December 2025 was SAR 189.50 million.

DAR GLOBAL PLC (DG PLC)

Dar Global PLC is a related party, and the company had originally invested SAR 1,255 million representing a 100% equity stake. The common Board members between DG PLC and Dar Al Arkan is Mr. Yousef Bin Abdullah Al Shelash.

During Q1 2023, DG PLC has offered 12% of its shares through a private placement. For the private placement the Company was valued at US\$ 600 million. Dar group retained its original investment, as a result of new equity issuance, groups equity interest was diluted to 88% from 100% and been accounted as an associate.

During 2025 the company have extended loans and advances amounting to SAR 1,201 million together with interest of SAR 93 million. The closing balance as at 31 December 2025 was SAR 1,201 million.

Investor Relations and Shareholder Information Review



Share Performance

Dar Al Arkan equity shares are listed on the Saudi Stock Exchange (Tadawul).

As at 31 Dec 2025, Dar Al Arkan had

SAR 10,800 million

in authorized capital

and issued

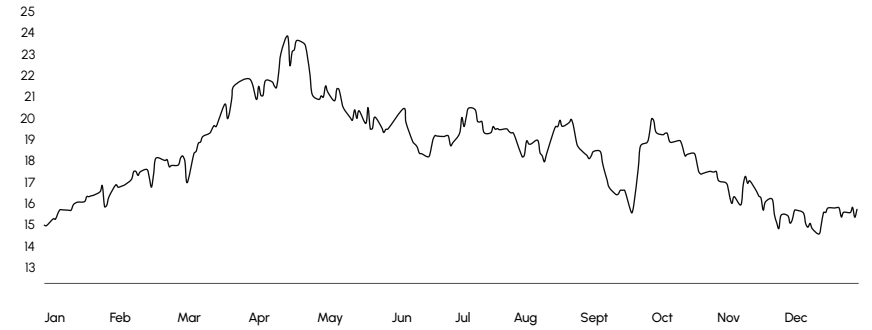
1,080 million shares

SHARE DATA PERFORMANCE (SAR)

End of the Year (31 Dec 2025)	15.94
End of 2024	15.10
End of 2023	14.20
52 Weeks High (21 April 2025)	23.72
52 Weeks Low (15 Dec 2025)	14.58
Absolute Annual Performance	5.56%
Annual Relative Performance vs Tasi	18.41%

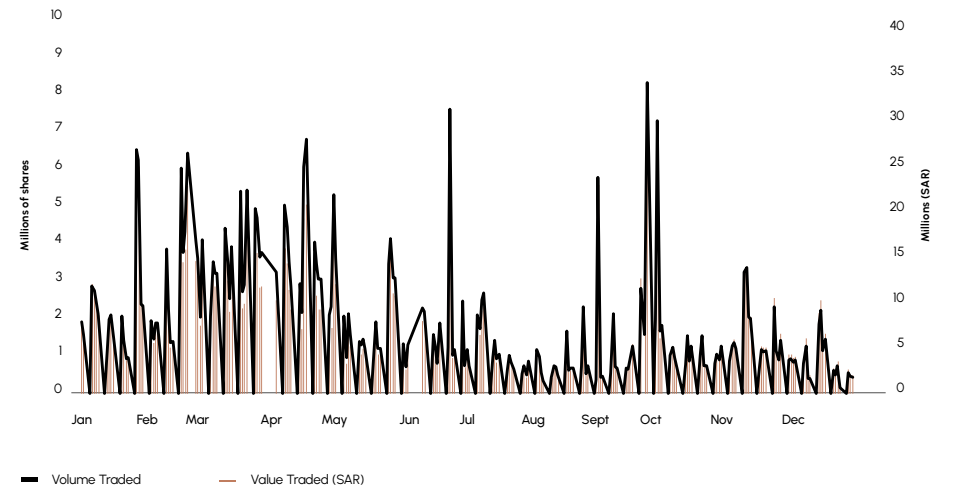
DAR AL ARKAN SHARE PRICE (SAR)

2025



DAR AL ARKAN SHARE VOLUME AND VALUE TRADED

2025



Investor Communication

At Dar Al Arkan, Investor Relations (IR) takes the lead in communicating with the financial community, in particular; institutional investors, retail investors and covering analysts on the sell-side both for the equity and debt. Anchored in the regulatory requirements of the Capital Markets Authority (CMA) and international best practice, the IR department strives to provide optimal disclosures and transparency to shareholders through regular and periodic contact.

Investor Relations Activities

Dar Al Arkan participated in 9 investor conferences and earnings calls, met with 185 different institutions and had a total of 636 investor touch points both retail and institutional.

Investors Interactions	
Category	Number
Conferences and Earning Calls	9
Institutions met	185

Investor Touch Points	
Category	Number
Retail Investors	266
Institutional Investors	370
Total	636

Investor Information

The Investor Relation Department receives the essential suggestions and comments of shareholders and investors on an ongoing basis and presents them to the Executive Management and Board of Directors on a regular basis. The Board of Directors responds to shareholders and investors' inquiries during the General Assembly meetings and outside the General Assembly within the limits of the applicable disclosure policies and in a manner that ensures that no harm may result from such disclosure. The Investor Relation Department also distributes Tadawul reports and bulletins on a regular basis.

THE TABLES PROVIDE INFORMATION ABOUT INVESTORS IN TERMS OF TYPE AND NATIONALITY OF INVESTORS AS OF 31 DEC 2025:

TYPE OF INVESTORS

Type	No of investors	Shares	%
Institutions	535	984,467,192	91.15%
Retail	65,919	95,532,808	8.85%
Total	66,454	1,080,000,000	100%

NATIONALITY OF INVESTORS

Nationality	No of investors	Shares	% of Total
Saudis	64,101	959,421,489	88.84%
GCC	89	4,932,217	0.46%
Foreign	2,264	115,646,294	10.70%
Total	66,454	1,080,000,000	100%

Shareholder Register Requests

NUMBER OF REQUESTS FOR THE SHAREHOLDER REGISTER FROM TADAWUL

Number	Date of requests received during the year 2025	Request's reason
1	2 January	Company procedures
2	6 March	Company procedures
3	29 April	Company procedures
4	28 May	Company procedures
5	29 June	The General Assembly Meeting
6	19 October	Company procedures
7	31 December	Company procedures

Dividend Policy

According to the Company article of association, CMA corporate governance code and its regulations and Companies' Law and its regulations.

1. The General Assembly, upon the proposal of the Board of Directors, may allocate a certain percentage of net profits to establish a reserve, to be designated for purposes specified by the General Assembly. The competent authority shall establish regulations for the formation of reserves.
2. Reserves designated for specific purposes in the company's Articles of Association may only be utilized pursuant to a resolution of the Extraordinary General Assembly. If a reserve is not designated for a specific purpose, the Ordinary General Assembly, upon the proposal of the Board of Directors, may decide to utilize it for the benefit of the company or the shareholders. The competent authority shall establish regulations for the utilization of reserves.
3. When determining the share of net profits attributable to each share, the Ordinary General Assembly, upon the proposal of the Board of Directors, may decide to establish other reserves, to the extent that this serves the company's interests or ensures the distribution of stable dividends to the shareholders, as much as possible. The aforementioned Assembly may also deduct amounts from net profits to achieve social purposes for the company's employees.
4. The Ordinary General Assembly may utilize retained earnings and distributable reserves to settle the remaining amount or a portion thereof of the share value, provided that this does not prejudice fairness among shareholders in accordance with the provisions of the Law.
5. Based on the recommendation of the Board of Directors, the General Assembly shall determine the percentage of net profits to be distributed to the shareholders after deducting reserves, if any.
6. Based on the recommendation of the Board of Directors, annual or interim dividends may be distributed to shareholders from distributable profits, after fulfilling the controls specified by the executive regulations and relevant requirements issued by the competent authorities in this regard, including an authorization issued by the Ordinary General Assembly to the Board of Directors to distribute interim dividends.
7. A shareholder is entitled to their share of profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall specify the entitlement date and the distribution date. Entitlement to profits belongs to the owners of shares registered in the shareholders' register at the end of the designated entitlement date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of profits to shareholders within the period specified by the Implementing Regulations of the Companies Law pertaining to listed joint-stock companies.

Corporate

Governance

Board of Directors

The current board of directors of the company, which was elected on 29/6/2025 until 22/6/2029, consists of

6 members

4 non-executive

members

2 independent

members

The Board and Committees were formed in accordance with the articles of association of the company, the Companies Law issued by the Ministry of Commerce, the Corporate Governance Regulations issued by the Capital Market Authority, and the relevant regulations.



Yousef Bin Abdullah Al Shelash

BOARD CHAIRMAN

Yousef Bin Abdullah Al Shelash is the founder and chairman of the board of directors of Dar Al Arkan Real Estate Development Company (non-executive member). His experience lays in strategic planning and is a foremost real estate development expert. In addition, he is also the Chairman of SHL Finance Co. "SHL" and Chairman of Alkhair Capital Saudi Arabia. Mr. Al Shelash holds a bachelor's degree in Islamic law from Imam Muhammad bin Saud Islamic University, and a Diploma of Studies in Procedural Systems from the Institute of Management.



Hethloul Bin Saleh Al Hethloul

BOARD VICE CHAIRMAN

Hethloul Bin Saleh Al Hethloul is the vice chairman of the board of Dar Al Arkan Real Estate Development Company (non-executive member). He was also a member of the board of Alkhair Bank – Bahrain from 2004 till 2016, and a member of the board of Alkhair Capital Saudi Arabia (from March 2008 until December 2018) and formerly served as a member of the board of SHL Finance Co. "SHL" (from November 2007 until April 2018). His expertise is in real estate investment, finance and valuation, and strategic planning. Mr. Al Hethloul holds a Diploma of Business Science. In addition, holds specialized courses in committee management, risk, strategic management, corporate governance, boards of directors and practical tools for strategic guidance and management control.

Board of Directors (continued)



Tariq Bin Mohamed Al Jarallah

BOARD MEMBER

Tariq Bin Mohamed Al Jarallah is a member of the board of Dar Al Arkan Real Estate Development Company (non-executive member). He served on the Board of Directors of the SHL Finance Co, "SHL" (from 2007 until 2013). His expertise includes land planning and real estate valuation; preparing feasibility studies; modern management methods; developing necessary plans; and conducting studies in marketing, real estate sales, market analysis, and consumer needs, as well as supervising real estate projects. He holds a Diploma of Accounting and Business Sciences. In addition, he holds training courses in the fields of strategic planning, corporate governance, and boards of directors.



Abdulrahman bin Abdulaziz Al-Mesned

BOARD MEMBER

Abdulrahman bin Abdulaziz Al-Mesned has been an independent member of the Board of Directors of Dar Al Arkan Real Estate Development Company since June 30, 2025. He holds a bachelor's degree in administrative sciences, majoring in accounting, from King Saud University (2009). He has professional experience in real estate, contracting, and consulting since 2011, having served as General Manager at Alyia United Real Estate and Contracting Company. He later joined the Advisory Department at KPMG Al Fozan & Partners and is currently the Director of Real Estate and Assets at Alyia United Real Estate and Contracting Group. He has also served as a Board Member of Quara Finance Company since 2023.



Ziad Naeem Ammar Al Chaar

BOARD MEMBER

Ziad Naeem Ammar Al Chaar has been a non-executive member of the Board of Directors of Dar Al Arkan Real Estate Development Company since June 30, 2025. He holds a Bachelor of Science degree and a Master of Business Administration (MBA) from the American University of Beirut. He has over 20 years of professional experience in real estate, finance, and leadership. Among his notable achievements is serving as a Managing Director at DAMAC Properties in Dubai, where he led major projects in residential, commercial, hospitality, retail, and mixed-use developments across the Middle East. He also currently holds board and committee memberships in several organizations, including Sahl Finance Company (since September 2017), Waslt Real Estate Services Company, and Quara Holding Company (Limited Liability Company).



Saud bin Abdulaziz bin Jasem Al-Qassir

BOARD MEMBER

Saud bin Abdulaziz bin Jasem Al-Qassir has been an independent member of the Board of Directors of Dar Al Arkan Real Estate Development Company since June 30, 2025. He holds a bachelor's degree in architecture from King Saud University (1986). He has over three decades of professional experience in real estate development and project management, during which he held several prominent leadership positions. Notably, he served as a Board Member of Sahl Finance Company from 2021 to November 2025, Chairman of the Board of Waslt Real Estate Services Company, and Founder and CEO of Amjal Real Estate Company.

In addition, he served as General Manager of Project and Business Development at Fama Holding and the Royal Commission for Jubail and Yanbu, and as an architect at Saif Naaman Company.

Board of Directors (continued)



Majed Bin Abdulrahman Al Qasem

VICE CHAIRMAN OF THE BOARD – UNTIL JUNE 29, 2025

Majed bin Abdulrahman Al-Qasim served as the Vice Chairman of the Board of Directors of Dar Al Arkan Real Estate Development Company (Non-Executive Member) until June 29, 2025. Mr. Al-Qasim has extensive experience in strategic planning, real estate development, investment management and oversight, and in establishing systems and procedures, risk management, and corporate governance. He also serves as the Vice Chairman of the Board of Alkhair Capital Saudi Arabia. Mr. Al-Qasim holds a bachelor's degree in Islamic law (Sharia) from Imam Muhammad bin Saud Islamic University, in addition to a Diploma in Procedural Systems Studies from the Higher Institute of Judiciary.



Abdulrahman Saleh Alsawi

BOARD MEMBER – UNTIL JUNE 29, 2025

Abdulrahman bin Saleh Al-Sawi served as an independent member of the Board of Directors of Dar Al Arkan Real Estate Development Company until June 29, 2025. He holds a general education certificate and has over 24 years of practical experience in infrastructure development, real estate project development and investment, and the management of residential, commercial, and hospitality properties. In addition, he has extensive expertise in land development management, real estate valuation, and appraisal.



Dr. Abdulaziz Bin Ibrahim Al Mana

BOARD MEMBER – UNTIL JUNE 29, 2025

Dr. Abdulaziz bin Ibrahim Al-Manea served as an independent member of the Board of Directors of Dar Al Arkan Real Estate Development Company until June 29, 2025. Dr. Al-Manea is a former university professor, former Minister of State and Cabinet Member, and a former member of the Shura Council. He possesses extensive experience in strategic planning, engineering education, and management systems. He holds several academic degrees, including a bachelor's degree in civil engineering from Santa Clara University (USA), as well as a master's degree and a Ph.D. in Civil Engineering from Stanford University (USA). Dr. Al-Manea has authored numerous publications and research papers, received various honors and awards, and participated in several local, regional, and international conferences and seminars.

Executive Team



Anand Raheja
CEO

Mr. Raheja was promoted to the role of Chief Executive Officer (CEO) in June 2019. He previously held the position of Chief Financial Officer (CFO) from May 2018 till June 2019. He has more than 32 years of experience working with the largest real estate companies and accounting and auditing firms in the Middle East, US, UK, and India. Mr. Raheja holds a Master's degree in Finance from New York University.



Turki Al Gafari
CLO

Mr. Al Gafari is a seasoned executive with 25 years of experience in real estate, land management, and government relations. Over the course of his career, he has built a strong reputation as a strategic leader with deep expertise in land acquisition and disposition—a specialization he has focused on for 17 years. His leadership has consistently delivered significant results, driven by his comprehensive industry knowledge and ability to navigate complex regulatory and operational environments.



Philip Antony
CFO

Mr. Antony has been with Dar Al Arkan since 2008 and got promoted several times and currently holds the position of Chief Financial Officer (CFO) since June 2019. He leads several key company initiatives, including Sukuk issuances and syndicated financing programs. Prior to joining Dar Al Arkan, Mr. Antony spent 16 years in senior corporate finance and management roles with Sonata Software Ltd and Novell Inc. Mr. Antony holds a Master of Commerce degree from the University of Calicut and is a Chartered Accountant from India.



Abbas Fehri
CDO

Mr. Fehri has 20 years of experience in property development, including product design development and project management. He joined Dar Al Arkan as Head of Development in September 2017 where he has been leading product design development and project management. Prior to joining Dar, he held a number of positions on multi-million dollar projects spanning across several asset classes and geographic locations. Mr. Fehri holds a Master's degree in Project Management and Architecture.

Membership of the Board

#	Name	Capacity	Membership
1	Yousef Bin Abdullah Al Shelash	Chairman	Non-executive
2	Hethloul Bin Saleh Al Hethloul	Vice Chairman	Non-executive
3	Tariq Bin Mohamed Al Jarallah	Member	Non-executive
4	Ziad Naim Ammar Al Chaar Since June 30, 2025.	Member	Non-executive
5	Abdulrahman bin Abdulaziz Al-Mesned Since June 30, 2025.	Member	Independent
6	Saud bin Abdulaziz bin Jasem Al-Qassir Since June 30, 2025.	Member	Independent
7	Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	Member	Non-executive
8	Dr. Abdulaziz Bin Ibrahim Al Mana Until June 29, 2025.	Member	Independent
9	Abdulrahman Saleh Alsawi Until June 29, 2025.	Member	Independent

Interest in contractual securities and underwriting rights

The table below describes any interest in contractual securities and underwriting rights of Board Directors and senior executives, and their relatives, in the shares or debt instruments of the company or any of its affiliates, and any changes in that interest or rights during 2025.

Name	Capacity	No. of Shares at the beginning of the year	Ownership at the beginning of the year (%)	Change in the No. of shares during the year	Total Shares at the end of the year	Ownership at the end of the year (%)	Nature of Ownership
Yousef Bin Abdullah Al Shelash	Chairman	0	0%	0	1,000	0.00009%	Direct
Hethloul Bin Saleh Al Hethloul	Vice Chairman	1,368	0.0001%	0	1,368	0.0001%	Direct
Tariq Bin Mohamed Al Jarallah	Board Member	3,000	0.0003%	0	3,000	0.0003%	Direct
Ziad Naim Ammar Al Chaar Since June 30, 2025.	Board Member	0	0%	0	5,660	0.0005%	Direct
Abdulrahman bin Abdulaziz Al-Mesned Since June 30, 2025.	Board Member	0	0%	0	10	0.0000009%	Direct
Saud bin Abdulaziz bin Jasem Al-Qassir Since June 30, 2025.	Board Member	0	0%	0	1,000	0.00009%	Direct
Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	Board Member	0	0%	0	0	0%	Direct
Dr. Abdulaziz Bin Ibrahim Al Mana Until June 29, 2025.	Board Member	2,000	0.0002%	0	2,000	0.0002%	Direct
Abdulrahman Saleh Alsawi Until June 29, 2025.	Board Member	0	0%	0	0	0%	Direct
Anand Raheja	CEO	0	0%	0	0	0%	Direct
Philip Antony	CFO	0	0%	0	0	0%	Direct
TOTAL		6,368	0.0006%	0	14,038	0.0011%	

Meetings Attendance

BOARD MEETINGS REGISTER

#	Name	Meeting Register				Total
		29 May	8 July	16 December	22 December	
1	Yousef Bin Abdullah Al Shelash	✓	✓	✓	✓	4
2	Hethloul Bin Saleh Al Hethloul	✓	✓	✓	✓	4
3	Tariq Bin Mohamed Al Jarallah	✓	✓	✓	✓	4
4	Ziad Naim Ammar Al Chaar Since June 30, 2025.	X	✓	✓	✓	3
5	Abdulrahman bin Abdulaziz Al-Mesned Since June 30, 2025.	X	✓	✓	✓	3
6	Saud bin Abdulaziz bin Jasem Al-Qassir Since June 30, 2025.	X	✓	✓	✓	3
7	Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	✓	X	X	X	1
8	Dr. Abdulaziz Bin Ibrahim Al Mana Until June 29, 2025.	✓	X	X	X	1
9	Abdulrahman Saleh Alsawi Until June 29, 2025.	✓	X	X	X	1

BOARD MEMBERS GENERAL ASSEMBLY MEETINGS REGISTER 2025

#	Name	29 June
1	Yousef Bin Abdullah Al Shelash	✓
2	Majed Bin Abdulrahman Al Qasem	✓
3	Tariq Bin Mohamed Al Jarallah	✓
4	Hethloul Bin Saleh Al Hethloul	✓
5	Dr. Abdulaziz Bin Ibrahim Al Mana	✓
6	Abdulrahman Saleh Alsawi	✓

Board Committees

The Board comprises three committees: the Executive Committee, the Audit Committee, the Remuneration & the Nominations Committee. The formation of these committees is as follows:

THE EXECUTIVE COMMITTEE

The Executive Committee formation and meetings register:

#	Name	Capacity	Meeting Register					Total
			10 Feb	29 May	1 June	16 Dec	22 Dec	
1	Yousef Bin Abdullah Al Shelash	Chairman	✓	✓	✓	✓	✓	5
2	Ziad Naim Ammar Al Chaar Since June 30, 2025.	Member	X	X	X	✓	✓	2
3	Hethloul Bin Saleh Al Hethloul Since June 30, 2025.	Member	X	X	X	✓	✓	2
4	Tariq Bin Mohamed Al Jarallah Until June 29, 2025.	Member	✓	✓	✓	X	X	3
5	Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	Member	✓	✓	✓	X	X	3

THE COMMITTEE'S RESPONSIBILITIES AND MEETINGS

The Committee shall perform its duties in accordance with the articles of the Corporate Governance Regulations issued by the Capital Market Authority. The committee monitors the implementation of the company strategy by overseeing the preparation of the operational plan and its execution; reviews and recommends the adoption of the Company's values, vision, goals and policies that determine the Company's overall approach to executing its work; pursue financing plans in respect of the Company's investments; provides advice in relation to investments including engagement in mergers and/or joint ventures and/or obtaining project financing; ensures the proper allocation of resources for the implementation of the Company's strategies such as funding and human resources; develops criteria for selecting the CEO and senior executive staff and to supervising its implementation; reviews and evaluates the performance of the executive management in achieving the goals of the set strategy and monitors and addresses any deviations; reviews and evaluates strategic plans in order to evaluate and modify them when necessary according to market information and internal requirements; reviews periodic reports presented by the executive management that relate to the Company's competitive situation and organizational, financial and technical factors which may affect the Company's long term strategy; approves the recommendations of the human resources policies and regulations; reviews and evaluates the market and competitive trends put forward by the executive management and assess its impact on the Company's business. The Committee held five meetings during 2025.

Board Committees (continued)

THE AUDIT COMMITTEE

The Audit Committee formation and meetings register:

#	Name	Capacity	Meeting Register				Total
			18 March	30 April	30 July	6 Nov	
1	Tariq Bin Mohamed Al Jarallah	Chairman	✓	✓	✓	✓	4
2	Hethloul Bin Saleh Al Hethloul	Member	✓	✓	✓	✓	4
3	Saud bin Abdulaziz bin Jasem Al-Qassir Since June 30, 2025.	Member	X	X	✓	✓	2
4	Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	Member	✓	✓	X	X	2
5	Abdulrahman Saleh Alsawi Until June 29, 2025.	Member	✓	✓	X	X	2

THE COMMITTEE'S RESPONSIBILITIES AND MEETINGS

The Audit Committee has the authority to monitor the Company's business and shall have the right to inspect its records and documents and to request any clarification or statement from the members of the Board of Directors or the Executive Management. The Committee shall perform its duties in accordance with the articles of the Corporate Governance Regulations issued by the Capital Market Authority. The Committee performs its approved functions, including supervising the Company's internal audit department and studying its report, in addition to the study of annual financial statements, the accounting policies adopted and recommending the Board of Directors to nominate the auditors of the company, dismiss them, determine their remunerations and studies the reports of the regulatory authorities on the company's compliance with the regulations and instructions. The employees of the company are able to provide their observations regarding any violation of the company's internal regulations. The committee submits its recommendations to the board of directors. The Audit committee held four meetings during 2025. The committee discussed and reviewed the quarterly and annual financial statements for the year 2025 and passed their recommendations to the Board. There is no conflict between the Audit Committee's recommendations and the Board of Directors' decisions during the year 2025. There is no recommendation from the Audit Committee to appoint an internal auditor due to the presence of an internal auditor in the company.

The Nominations and Remuneration Committee

THE NOMINATIONS AND REMUNERATION COMMITTEE FORMATION AND MEETINGS REGISTER:

#	Name	Capacity	Meeting Register			Total
			16 April	29 May	16 Dec	
1	Abdulrahman bin Abdulaziz Al-Mesned Since June 30, 2025.	Chairman	X	X	✓	1
2	Yousef Bin Abdullah Al Shelash	Member	✓	✓	✓	3
3	Saud bin Abdulaziz bin Jasem Al-Qassir Since June 30, 2025.	Member	X	X	✓	1
4	Dr. Abdulaziz Bin Ibrahim Al Mana Until June 29, 2025.	Member	✓	✓	X	2
5	Majed Bin Abdulrahman Al Qasem Until June 29, 2025.	Member	✓	✓	X	2

THE COMMITTEE'S RESPONSIBILITIES AND MEETINGS

The Committee shall perform its duties in accordance with the articles of the Corporate Governance Regulations issued by the Capital Market Authority. The committee provides recommendation to the Board of Directors to nominate for Board membership; annual review of the appropriate skills needed for Board membership and provides a description of the capabilities and qualifications required for membership; reviews the structure of the Board of Directors and recommends necessary changes identifying weaknesses and strengths; confirms periodically the independence of members and absence of any conflict of interests in the event of another Company Board membership; develops clear policies and criteria for Board members and senior executive remuneration according to performance criteria. The Committee held three meetings during 2025.

Board Undertakings

THE BOARD OF DIRECTORS UNDERTAKES THE FOLLOWING:

- Proper accounting books have been maintained.
- The system of internal control has been effectively implemented.
- There are no significant doubts concerning the Company's ability to continue as a going concern.
- There is no competing business for the company or for any of the branches of the activity that it practices, which is practiced or was practiced by any member of the board of directors.

Risk

Factors

RISK FACTORS

Risk management policies

The Company has adopted appropriate risk management policies and procedures to manage operational, financial, market-related, and other risks. Risk management is an integral part of the company's activities and decision-making processes. The company aims to secure an acceptable balance between risks and returns as it seeks to achieve its business goals. The company's Risk Management Framework applies risk standards, which follow a logical and systematic approach to determine, analyze, assess, treat, monitor, and report the significant risks that are faced by the company and to take appropriate decisions and promptly respond to risks or potential opportunities that have an impact on the company's competitiveness. Risks, by their nature, can lead to unforeseen outcomes, and following risk management processes is not, by itself, a guarantee that all risks can be mitigated to prevent them from impacting the business.

The risks that the Company may face, and the commensurate management and control policies

The following section describes the principal risks facing the company and our efforts to mitigate them. It should be noted that there could be no assurance that these efforts will be successful in mitigating these risks, wholly or partly. It should also be noted that the following section is intended to be only a summary, and there are numerous other risks that could materially affect the company's financial condition and operational results adversely.

PRICE FLUCTUATION

The company cannot control the market prices of its real estate products, and the market fluctuations in product prices may directly affect revenues. This effect can be positive in times of rising product prices or negative when product prices decline, with a significant impact on profitability and cash flows.

In general, the Company seeks to mitigate this risk by providing cost-effective products and satisfying the requirements of tenants and/or buyers. The excess supply of real estate products at low prices might lead high-cost real estate developers to exit the market, while cost-balanced companies could maintain their positions as they continue to operate with a positive cash margin.

COUNTRY RISK

Country risk refers to the risk of investing in a foreign country, arising from possible changes in the business environment that may adversely affect operating profits or the value of assets in that country. This risk arises from drastic changes in local policies, laws, and regulations in foreign countries, which could adversely affect the expected returns from real estate or project investments.

The company frequently undertakes thorough investment studies of foreign investment opportunities and invests in the most stable countries, in line with the company's growth objectives and strategy, provided that these investments/projects are implemented in accordance with adequate control procedures.

CYBER SECURITY

Cyber-attacks and security breaches may threaten the integrity of our intellectual property and other sensitive information, disrupt operations and activities, and result in material damage, reputational harm, and other negative consequences that could have a material adverse impact on our financial condition and the results of operations.

The company has expert IT staff and contract specialists who specialize in protecting and securing information, continuously reviewing security threats, and seeking opportunities to enhance information security.

PROJECT DEVELOPMENT AND EXECUTION

The project identification, development, and execution phases may be exposed to material risks. Ineffective development or execution of a key project can compromise the capital expenditure budget and schedule, and consequently affect the company's profitability, growth prospects, reputation, and overall financial health.

To minimize these risks, development and investment decisions for current and new projects are executed and monitored using a "Stage Gate" project system to ensure that current or new projects properly account for the costs, risks, and expected returns of the investment. During execution, project managers, including third-party experts, are used to manage progress and ensure project completion within budget, quality, and schedule. This includes providing monthly completion reports and capital expenditure reports to the executive management to monitor progress, identify slippage, and propose remedial action.

MARKETING

In case of market decline, the company faces the risk of insufficient clients (decrease in demand) for all its real estate products (residential or commercial). Also, delays in leasing and/or selling real estate products may negatively impact the company's profitability and cash flows.

To minimize these risks, the Company seeks to diversify its product portfolio to adapt to market conditions as much as possible and to reach potential tenants and/or buyers using effective marketing tools, including direct, indirect, and electronic marketing.

RISK FACTORS

HEALTH, SAFETY, AND SECURITY

The Company's real estate products or projects may have inherent health, safety, and security risks that could result in serious personal injury or other operational and financial losses. The company seeks to mitigate these risks by implementing health and safety procedures across all sites in accordance with recognized local standards. The company has a reporting system, and all incidents are reviewed to draw lessons and prevent recurrence.

COST OF FUNDING

The cost of financing has reached acceptable levels in recent years. There is no absolute assurance that this situation will continue. Any significant increase in financing costs could negatively impact profitability and cash flows.

The Company seeks to ensure that its debt facilities are of an appropriate size and structure for the business and regularly monitors changes in funding costs.

CREDIT RISK

Credit risk is the risk of loss in the value of an asset resulting from a customer or counterparty's failure to comply with a valid, legally enforceable contract. The company's general sales policy is "No Credit" terms, but in some cases, enhanced payment schedules or staggered payments for selected customers have been accommodated. In such cases, the company has an exposure to credit risk with respect to the amount due from those customers. However, in such cases, the company holds back the final delivery or possession of the property to mitigate the risk until the full amount due is paid to the satisfaction of the contract. The monitoring and follow-up of balances are regularly completed, and as a result, the company's exposure to losses is limited. With respect to the credit risk exposure of other financial assets, namely, due from related parties, bank deposits, and trade and other receivables, the maximum credit exposure of the company is limited to their carrying values in the event the other party fails to meet its obligation. As of the reporting date, the company does not have significant credit risk concentration with any single party or group.

COMMISSION RATE RISK

Commission rate risk arises from changes in the commission rate available when renegotiating financial instruments, influenced by current global financial market conditions.

- The company is exposed to commission rate risk with respect to its floating commission covenants agreed for its long term Islamic Murabaha (revolving credit) facilities obtained from local banks. The short-term revolving borrowing rates are renegotiated at every renewal proposal to achieve the best possible commission rate that reflects the company's financial credentials and related risk perception.
- The company has a specific shariah' compliant commission rate swap contract to manage its commission rate risk. The company's international borrowing commission rates are primarily based on LIBOR, and its local borrowings are based on SAIBOR. Hence, the company's commission exposure is variable with changes in LIBOR and SAIBOR. The commission rate sensitivity analysis is performed based on the company's commission rate exposure for floating-rate liabilities outstanding at the reporting date. The calculations are based on floating commission rates, assuming outstanding liabilities for the full year as at the reporting date.
- The net profit of the company for the reported year would have been affected because of changes in floating commission rates. If there is any capitalization of borrowing costs directly attributed to projects in progress, there would be timing differences on such an impact to the company's current profit and loss account, and the current impact would be nil, as there is no capitalization for the current year, as explained in note 2.9 in the audited financial statements.

LIQUIDITY RISK

Liquidity risk can result from the company's difficulty in meeting its financial commitments and obligations under the agreed terms and covenants.

To mitigate liquidity risk and associated losses to business and brand value, the company, where possible, maintains sufficient liquid assets under all business conditions. The company refrains from funding its long-term capital requirements through short-term borrowings and related-party current account transactions. Currently, the long-term

projects are funded solely through long-term or revolving borrowings. The company also has a dynamic cash flow assessment policy and system that estimates and plans maturities and the required resources to meet such obligations.

FOREIGN CURRENCY RISK

Foreign Currency risk is associated with changes in the carrying value in the functional currency due to variations in the underlying foreign currency obligation or right arising from transaction or translation reasons. The company's functional currency is the Saudi Riyal, which is pegged to the US Dollar at a fixed rate of 3.75 Saudi Riyal per US Dollar. Since transactions, other than US Dollars, are negligible, the company does not assume any significant foreign currency risk.

PRICE RISK

Price Risk is associated with the fair value or future cash flows of financial assets/securities that will fluctuate because of changes in market prices. It primarily stems from investments in securities trading. The Group has limited exposure to price risk arising from investments in securities carried at fair value. However, the position in investments in securities, taking into account current and expected economic trends, is regularly reviewed.

Governance and Regulation

Corporate Governance

According to corporate governance regulations issued by the Capital Market Authority, the Board of Directors has approved Dar Al Arkan's corporate governance regulations, taking into consideration the rights of shareholders, customers, employees, all stakeholders, as well as enhancing relations with them, and preserving their interests. Under the corporate governance regulations, the company is committed to the principles of transparency and disclosure, the activation of the Board and the executive management roles, while identifying their responsibilities and training on an on-going basis. The company also seeks to ensure the mechanisms that enhance the effectiveness of internal control and risk management, in addition to complying with corporate governance regulations issued by the Capital Market Authority, and adopting best practices in governance to boost the corporate culture, and implement sound management rules in the company. Such actions ultimately reflect company's desire to work hard to meet the highest levels of governance, setting an example as a national company. The Board of Directors strives to achieve the objectives through the Board's active committees; the Executive, the Audit, and the Nominations and Remuneration Committees.

It is worth mentioning that the company has applied all the required articles of the corporate governance regulations issued by the Capital Market Authority. Dar Al Arkan's corporate governance regulations have therefore been prepared in the light of the globally acknowledged principles of sound corporate governance and should be viewed as the basis for corporate governance within the Company. They should, also, be considered within the context of the broader legislative framework in force in Saudi Arabia, and in particular, the stipulations of the following:

- The requirements of the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and its regulations issued by the Board of the Capital Market Authority Pursuant to Resolution Number (8-16-2017) Dated 16/5/1438H Corresponding to 13/2/2017G amended by Resolution of the Board of the Capital Market Authority Number 1-7-2021 Dated 1/6/1442H Corresponding to 14/1/2021, and any new amendments to the Corporate Governance Regulations issued by the Board of the Capital Market Authority, and
- The Companies' Law of Saudi Arabia No. M/3 dated 28/01/1437H and associated ministerial directives of the Ministry of Commerce and Investment, and any new amendments to this system and the executive regulations of the Companies System for listed joint stock companies issued by the Capital Market Authority, and
- The amended Dar Al Arkan's Articles of Association.

The provisions of the Corporate Governance Regulations unless applicable, and the reasons for this

The Company applies all the mandatory provisions of the Corporate Governance Regulations issued by the CMA, with no exception for any mandatory provision.

Remuneration and compensation

REMUNERATION POLICY FOR BOARD MEMBERS, BOARD COMMITTEES AND EXECUTIVE MANAGEMENT

The remuneration of the members of the Board of Directors and the members of the committees shall be determined according to the policy of the company, taking into account the statutory conditions and the need to attract the best expertise for membership of the Board of Directors to ensure the efficiency and effectiveness of the company's performance. The remuneration policy is in line with the companies law and other related regulations in the Kingdom. Also for the senior executives, including the CEO and the Chief Financial Officer, financial rewards are paid according to the company's policy. The policy includes the following items:

POLICY GOALS

The remuneration and compensation regulation for Board of Directors, Committees, and executive management aims to define clear criteria for remuneration and compensations that are approved and disbursed according to performance and ensure disclosure and verification of policy implementation. It also aims to attract competencies and maintain their motivation. The General Assembly has the right to amend this policy at any time. This policy may be modified after its issuance, provided that, the General Assembly approves any amendment at its first meeting following the change.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES:

- The board of directors must take into account in determining and disbursing remuneration obtained by each of its members, the relevant provisions mentioned in the Companies Law and the Corporate Governance regulations, in addition to the following criteria:
 - The remuneration must be fair and commensurate with the member's powers, actions and responsibilities undertaken and assumed by the members of the Board of Directors, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
 - The remuneration should be based on a recommendation from the Remuneration and Nomination committee.
 - The remuneration should commensurate with the company's activity and the skill needed to manage it.
 - Taking into consideration the sector in which the company operates, its scale and the experience of the members of the Board of Directors.
 - The remuneration is reasonably sufficient to attract, motivate and retain Board members with appropriate competence and experience

GOVERNANCE AND REGULATION

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES: (CONTINUED)

- The members of the board of directors may not vote on the item of remuneration of the members of the Board of Directors at the General Assembly meeting.
- A member of the board of directors may obtain a remuneration for any additional business, executive, technical, administrative or advisory positions – under a professional license – assigned to him by the company. This is in addition to the remuneration that can be obtained as a member of the Board of Directors and in the committees formed by the Board of Directors, in accordance with the Companies Law and the Company's Article of Association.
- The remuneration of the members of the board of directors may be of varying amount to reflect the member's experience, terms of reference, tasks assigned to him, his independence, the number of sessions he attends and other considerations.
- The remunerations of independent members of the board of directors should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.
- If the General Assembly decides to terminate the membership of a member of the board of directors due to his absence from attending three consecutive meetings of the board without a legitimate excuse, this member is not entitled to any remuneration for the period following the last meeting he attended, and he return all the remunerations that were disbursed to him for that period.
- The board of Directors determines and approves the membership bonuses of its committees, attendance allowances and other benefits based on the recommendation of the remuneration and Nominations Committee in line with the company's bylaws, the company's articles of association and the regulations and instructions in force from the relevant authorities.
- The remuneration of the members of the board and the membership of the committees may be an annual lump sum and/or attendance allowances for the sessions and/or benefits in kind and/or a percentage of the net profits in accordance with the relevant regulations and two or more of the above may be combined upon the recommendation of the remuneration and Nominations Committee.
- Provided that the amount of the meeting Attendance Allowance is (5000) five thousand Saudi riyals for each session of the council and committees.

REMUNERATION OF THE EXECUTIVE MANAGEMENT:

- The remuneration should be fair and commensurate with the powers, actions, and responsibilities of the members of the executive management, in addition to the objective set by the board of the directors to be achieved during the fiscal year.
- The Remuneration and Nomination Committee should evaluate the salary scale for executive management positions in accordance with the job description and the general market and comparison criteria for other similar companies.
- On the recommendation of the Remuneration and Nomination Committee, the Board of Directors determine the types of remuneration granted to the senior executives of the company. For example: fixed remuneration, performance related remuneration and incentives, in a manner that does not conflict with controls and regulatory procedures issued to joint-stock companies.
- The remuneration of senior executives should be consistent with company's strategic objectives and commensurate with the company's activity and the skills needed to manage it, taking into consideration the sector in which the company operates and its scale.
- The Remuneration and Nomination Committee reviews the incentive schemes for senior executives consistently and submits the recommendation to the Board of Directors for approval.
- The Remuneration aims to provide the competitive situation required to attract and retain qualified employees and maintain the high level of skills that the company needs.

REMUNERATION PAID AND DUE TO MEMBERS OF THE BOARD OF DIRECTORS AND COMMITTEES AND REMUNERATION PAID TO THE TOP FIVE SENIOR EXECUTIVES FOR THE FISCAL YEAR 2025.

The following table shows the total remuneration paid and due to members of the Board of Directors and committees and the remuneration paid to the top five senior executives, including the CEO and CFO, for the fiscal year 2025. These amounts are disclosed in aggregate figure to ensure that no harm may result from such disclosure.

Description (in '000 Saudi Riyal)	Executive Board members	Non-executive/independent Board members	Top five Senior executives (including CEO and CFO)
Salaries and compensation	-	-	7,596
Allowances	-	-	2,803
Periodic and annual bonuses	-	-	1,403
Incentive plans	-	-	-
Any other compensations or incentives paid monthly or annually	-	3,285	-
End of service contribution			867

Penalties and Fines for the year 2025

Fine	Fine reasons	Amount (SAR)	Signed by	Ways to treat it and avoid its occurrence in the future
Failure to comply with social distancing.	Violations of preventive procedures and precautionary measures in the mall	10,000	Entertainment Authority.	The violation has been paid for, and it will not occur by ensuring the relevant departments comply with the instructions and implement the regulations.
Non-compliance with Civil Defense requirements.	Violations of the general requirements of fire protection systems and the firefighting system.	20,000	Civil Defense.	The violation has been paid, the remarks have been addressed, and it will not recur by complying with all Civil Defense requirements.

Internal Audit

The Internal Audit is one of the important departments in Dar Al Arkan, which drives the company's internal control policies and processes and fosters the corporate governance and accounting processes. In recognition of its critical role and to guarantee its independence and objectivity, the Internal Audit functionally reports to the Audit Committee. The department applies the international standards for the professional practice of internal auditing issued by the Institute of Internal Auditors in Florida, USA. The internal audit staff is certified by the Institute of Internal Auditors. The internal audit department provides independent, objective advisory services for the purpose of adding value and improving the company's operations, where it helps the company achieve its goals by adopting a systematic and disciplined methodology that aims at reviewing and improving the effectiveness of the risk management process, compliance to relevant laws and regulatory bodies, financial data security, internal controls and corporate governance.

The Internal Audit provides the Audit Committee and senior management with relevant, objective and timely information, and it evaluates not only the company's current situation but also provides the officials and Board of Directors with the necessary data they need to discharge their responsibilities and take the appropriate financial and executive decisions. The objectives that the Internal Audit department is pursuing include helping company employees carry out their jobs efficiently, providing them with assessments, recommendations, and all information relevant to audit activity, while boosting effective control and leveraging the cost-effective execution of all the company's operations.

During 2025, the Internal Audit department implemented the approved Internal Audit Plan and worked very closely with other departments to achieve their objectives by providing appropriate recommendations to enhance the company's operational procedures and policies. The Internal Audit department improved the effectiveness and efficiency of the internal control system, ensuring compliance, enhancing the performance and monitoring of internal controls, and providing support and assistance to other departments to help them attain their objectives.

Internal Control

The internal control system at Dar Al Arkan represents an integrated process implemented by the Company's management and staff. The system is designed to mitigate risk, improve efficiency and effectiveness of all the Company's operations, ensuring accuracy and reliability of the Company's financial statements and compliance with laws and regulations to safeguard the company assets from loss, damage or misuse.

Features of the internal control system

THE CONTROL ENVIRONMENT IN THE COMPANY

The organizational structure is the framework for controlling the Company, allocating lines of responsibility and authority to clearly define relations within the organization and, therefore, the strategy and investment structure.

INTERNAL CONTROL PROCEDURES

The internal control procedures include administrative and accounting controls, as well as the Company's internal rules. These procedures are reflected in a series of policies and procedures approved by the Company in accordance with applicable laws and regulations.

Internal Audit (continued)

RESULTS OF THE EFFECTIVENESS OF THE COMPANY'S INTERNAL CONTROLS IN THE ANNUAL AUDIT

The Company applies all mandatory provisions of the Corporate Governance Regulations issued by the CMA, with no exceptions.

- The functions of the internal audit department include assessing the adequacy and effectiveness of the design of the Company's internal control, risk management, and governance system. Also, focusing on the risks that could affect the company's business using the risk-based audit methodology. Management applied the International Standards for the Professional Practice of Internal Auditing.
- The Internal Audit Department is objective and independent. The Internal Audit Department is functionally and administratively reporting to the Audit Committee. The Internal Audit Department has the authority to obtain information and documents, as well as conduct staff interviews.
- During the year 2025, the Internal Audit Department performed periodic reviews according to the approved annual plan. The Internal Audit Department conducted the planned audits for 2025, and management also participated in implementing several special assignments.
- Scope of work: The scope of internal audit work in 2025 included an examination of the adequacy and effectiveness of the Company's internal control system to verify whether the Company's internal systems provide reasonable assurance to achieve the Company's objectives. The scope of work included the following:
 - Audit and periodic inspection of the departments that work in the company during appropriate periods.
 - Inform and submit the audit results to departments under audit to verify the necessary procedures.
 - Evaluate the plans and procedures provided by departments to address the audit observations and recommendations covered in the audit report. In the event of insufficient corrective actions, the internal audit department may re-discuss the plans and recommendations with the concerned departments to ensure the efficiency and adequacy of the measures taken.

Audit committee opinion

Based on the internal audit results and the external auditor's reports during 2025, the company's executive management has maintained an effective system of financial, operational, and administrative controls, and there is no material weakness due to reliance on the integrity of the financial and accounting systems and their financial reporting. Also, the executive management implemented corrective actions to reduce misuse of the company's assets and to address all observations and recommendations raised by the Internal Audit Department to the Audit Committee. Therefore, the Audit Committee provided a reasonable basis for the efficiency and effectiveness of the company's internal control systems; however, it is not possible to provide absolute assurance about the review and assessment of the internal control procedures.

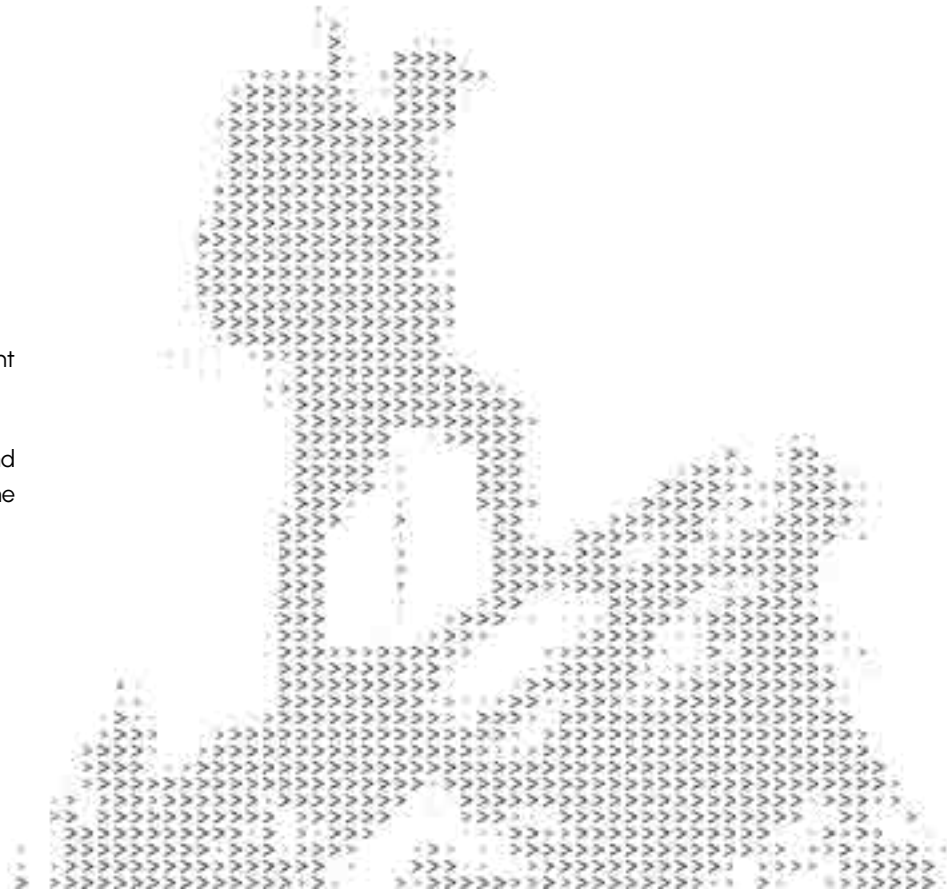
Consolidated Financial Statements and Independent Auditor's Report

Dar Al Arkan Real Estate Development
Company Saudi Joint Stock Company

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Dar Al Arkan Real Estate Development
Company Saudi Joint Stock Company

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Independent Auditor's Report

To the Shareholders of Dar Al Arkan Real Estate Development Company (A Saudi Joint Stock Company)

OPINION

We have audited the consolidated financial statements of Dar Al Arkan Real Estate Development Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as 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 (SOCPA).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code") that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and 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 for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Continued)

To the Shareholders of Dar Al Arkan Real Estate Development Company
(A Saudi Joint Stock Company)

KEY AUDIT MATTERS (CONTINUED)

For each key audit matter, a description of how our audit addressed the matter is set out below:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of Development Properties</p> <p>The Group maintains development properties for the purpose of development and sale in its ordinary course of business. As at 31 December 2025, the carrying amount of such development properties is SR 25.09 billion (31 December 2024: SR 20.99 billion).</p> <p>All development properties (held for development or sale) are initially recognized at acquisition cost and subsequently re-measured at the lower of cost and net realizable value.</p> <p>During the year, the Group's management and directors conducted an internal tolerance evaluation on its development properties portfolio to identify the existence or indication of possible impairment. This internal tolerance evaluation is based on the market indications and margins achieved on similar parcels of properties.</p> <p>The impairment of development properties is considered as a key audit matter because this involves significant judgment and estimates and where the change in the Group's estimate of the margin and average accounting rate of return could materially affect the valuation of the properties held for development and sale in the Group's consolidated financial statements.</p> <p><i>The Group's accounting policy for development properties is disclosed in note 2.7, the significant accounting estimates, assumptions and judgments relating to development properties are disclosed in note 3 and related disclosures about development properties are included in note 6 of the accompanying consolidated financial statements.</i></p>	<ul style="list-style-type: none"> · We assessed the appropriateness of valuation methods and assumptions, and estimates used by management in the internal evaluation process; · We have obtained the understanding of controls surrounding the internal evaluation process and performed walkthroughs of relevant key controls to assess their design and implementation. · We assessed the competence and capability of management personnel in the evaluation process; · We engaged in discussions with management and evaluated the relevant assumptions used based on market data where possible; · We tested the appropriateness of the key inputs used in the impairment of development properties such as margin and average accounting rate of return; · We have benchmarked the key assumptions used by management with external and internal data such as comparable real estate transactions and the Group's actual sale transactions; · We tested sensitivity analysis that considered impact of changes in assumptions on outcome of the impairment assessment; · We assessed the adequacy of the disclosures in the consolidated financial statements regarding the methods and assumptions used in the impairment assessment including the sensitivity analysis.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of Investment Properties

<p>Investment properties are stated in the Group's consolidated financial position at cost less depreciation and impairment (if any).</p> <p>As at 31 December 2025, the carrying amount of such investment properties is SR 946 million (2024: SR 983 million). The fair value of the investment properties amounting to SR 1.36 billion (2024: SR 1.46 billion) is disclosed in the notes to the consolidated financial statements.</p> <p>The Group's management has estimated the fair value of its investment properties on 31 December 2025, through an independent valuation expert with a recognized professional qualification and experience in the real estate sector.</p> <p>The fair value of investment properties has been estimated using the income capitalization method. Annual cash flows are estimated by extrapolating and reconciling the current rental income based on their optimal occupancy and then capitalizing it at an annual rental rate of 6-8% between the leased residential and commercial properties in order to reach the estimated fair value shown in the note 5 to the consolidated financial statements.</p> <p>The impairment of investment properties is considered a key audit matter because of its significant reliance on a range of assumptions including expected lease values, occupancy rate and income capitalization rate.</p> <p><i>The Group's accounting policy for investment properties is disclosed in note 2.6, the significant accounting estimates, assumptions and judgments relating to investment properties are disclosed in note 3 and related disclosures about investment properties are included in note 5 of the accompanying consolidated financial statements.</i></p>	<ul style="list-style-type: none"> · We agreed the value of all the properties held at the year end to the valuation included in the independent management expert valuation report; · We evaluated the competency, capabilities and objectivity of work performed by the independent management expert; · On sample basis, with the help of our independent expert, we performed the following: <ul style="list-style-type: none"> · We assessed the appropriateness of valuation methods and assumptions, and estimates used by management in the investment properties valuation process; · We engaged in discussions with management and assessed the relevant assumptions used based on market data where possible; · We tested the appropriateness of the key assumptions used in the valuation of investment properties such as income capitalization rate, operations costs, expected rental value and occupancy rate; · We tested sensitivity analysis that considered impact of changes in assumptions on outcome of the impairment assessment; · We assessed the adequacy of the disclosures in the consolidated financial statements regarding the methods and assumptions used in the impairment assessment including the sensitivity analysis.
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Independent Auditor's Report (Continued)

To the Shareholders of Dar Al Arkan Real Estate Development Company (A Saudi Joint Stock Company)

OTHER INFORMATION INCLUDED IN THE GROUP'S 2025 ANNUAL REPORT

Management is responsible for the other information. The other information comprises the information included in the Group's 2025 annual report but does not include in the consolidated financial statements and our auditor's report thereon. 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 endorsed by SOCPA and the provisions of Companies' Law and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Alluhaid & Alyahya Chartered Accountants



CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Consolidated Statement of Financial Position as at 31 December 2025

	Notes	2025	2024
		SR 000	SR 000
ASSETS			
Non-Current Assets			
Investment properties, net	5	945,743	983,000
Long-term development properties	6	25,090,614	20,877,265
Property and equipment, net	7&23a	71,384	89,614
Investments in associates and joint venture	8	2,982,954	2,628,356
Investments in financial asset	9	173,460	190,890
Loan to a related party	24	1,108,030	799,082
Total non-current assets		30,372,185	25,568,207
Current Assets			
Short-term development properties	6	2,407	111,874
Trade receivables and others	10	3,720,736	4,503,476
Inventories		37,211	31,993
Cash and cash equivalents	11	7,480,422	6,724,672
Total current assets		11,240,776	11,372,015
TOTAL ASSETS		41,612,961	36,940,222
LIABILITIES AND SHAREHOLDERS' EQUITY			
Non-current liabilities			
Borrowings-non-current portion	12	12,977,621	8,085,826
End of service indemnities	13	41,835	38,517
Total non-current liabilities		13,019,456	8,124,343
Current Liabilities			
Borrowings-current portion	12	2,876,826	3,337,932
Trade payables and others	14	3,060,266	4,061,716
Zakat provision	15a	423,327	315,517
Total current liabilities		6,360,419	7,715,165
TOTAL LIABILITIES		19,379,875	15,839,508
Shareholders' equity			
Share capital	16	10,800,000	10,800,000
Statutory reserve		1,341,178	1,341,178
Other reserves		(12,112)	(11,904)
Retained earnings		10,098,228	8,965,334
Equity attributable to equity holders of the parent company		22,227,294	21,094,608
Non-controlling interests		5,792	6,106
Total shareholders' equity		22,233,086	21,100,714
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		41,612,961	36,940,222


Authorised Board of Directors Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Year Ended 31 December 2025

	Notes	2025	2024
		SR 000	SR 000
CONTINUING OPERATIONS			
Revenue	17	3,899,802	3,759,022
Cost of revenue	18	(2,056,193)	(2,159,014)
GROSS PROFIT		1,843,609	1,600,008
Operating expenses			
General and administrative expenses	19	(256,558)	(265,901)
Operating profit		1,587,051	1,334,107
Finance costs	20	(1,037,479)	(853,906)
Share of net profits from associates and joint ventures	8a	337,202	63,513
Other income, net	21	467,487	264,819
Profit before zakat from continuing operations		1,354,261	808,533
Zakat provisions	15a	(220,341)	(20,595)
Net profit for the year from continuing operations		1,133,920	787,938
DISCONTINUED OPERATIONS			
Net profit for the year from discontinued operations	29b	-	18,902
Net profit for the year		1,133,920	806,840
Net profit attributable to Dar Al Arkan shareholders arises from			
Continuing operations		1,134,182	788,931
Discontinued operations		-	18,902
		1,134,182	807,833
Net profit attributable to			
Dar Al Arkan shareholders		1,134,182	807,833
Non-controlling interests		(262)	(993)
		1,133,920	806,840
Other comprehensive income/loss			
Re-measurement (loss) / gain on end of service indemnities	13	(1,340)	177
Share of other comprehensive income / (loss) from associate	8a	17,222	(6,169)
Net loss on equity instrument designated at FVOCI	9	(17,430)	(840)
Other comprehensive income for the year		(1,548)	(6,832)
Total comprehensive income for the year		1,132,372	800,008
Total comprehensive income attributable to Dar Al Arkan shareholders arises from			
Continuing operations		1,132,686	782,099
Discontinued operations		-	18,902
		1,132,686	801,001
Total comprehensive income attributable to			
Dar Al Arkan shareholders		1,132,686	801,001
Non-controlling interests		(314)	(993)
		1,132,372	800,008
Basic and diluted earnings per share (in Saudi Riyal)			
From continuing operations attributable to Dar Al Arkan shareholders		1.05	0.73
From discontinued operations attributable to Dar Al Arkan shareholders		-	0.02
Total basic and diluted earnings per share attributable to Dar Al Arkan shareholders	22	1.05	0.75


Authorised Board of Directors Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Consolidated Statement Of Changes In Shareholders' Equity
For The Year Ended 31 December 2025

	Attributable to owners of the parent						
	Share capital	Statutory reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000
2025							
Balance as at 1 January 2025	10,800,000	1,341,178	(11,904)	8,965,334	21,094,608	6,106	21,100,714
Net profit for the year	-	-	-	1,134,182	1,134,182	(262)	1,133,920
Other comprehensive income/(loss)							
Re-measurement loss on end of service indemnities	-	-	-	(1,288)	(1,288)	(52)	(1,340)
Other comprehensive loss	-	-	(208)	-	(208)	-	(208)
Total comprehensive income for the year	-	-	(208)	1,132,894	1,132,686	(314)	1,132,372
Balance as at 31 December 2025	10,800,000	1,341,178	(12,112)	10,098,228	22,227,294	5,792	22,233,086
2024							
Balance as at 1 January 2024	10,800,000	1,260,395	85,024	8,146,462	20,291,881	-	20,291,881
Net profit for the year	-	-	-	807,833	807,833	(993)	806,840
Other comprehensive income/(loss)							
Re-measurement gain on end of service indemnities	-	-	-	177	177	-	177
Other comprehensive loss	-	-	(7,009)	-	(7,009)	-	(7,009)
Total comprehensive income for the year	-	-	(7,009)	808,010	801,001	(993)	800,008
Acquisition of a subsidiary (note 30a)	-	-	-	-	-	7,226	7,226
Non-controlling interest share in capital	-	-	-	-	-	2,679	2,679
Acquisition of non-controlling interest (note 30b)	-	-	-	1,726	1,726	(2,806)	(1,080)
Transfer to retained earnings	-	-	(89,919)	89,919	-	-	-
Transfer to statutory reserve	-	80,783	-	(80,783)	-	-	-
Balance as at 31 December 2024	10,800,000	1,341,178	(11,904)	8,965,334	21,094,608	6,106	21,100,714


Authorised Board of Directors Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statement Of Cash Flows
For The Year Ended 31 December 2025

	Notes	2025	2024
		SR 000	SR 000
OPERATING ACTIVITIES			
Profit before zakat from continuing operations		1,354,261	808,533
Profit before zakat from discontinued operations		-	18,902
Profit before zakat		1,354,261	827,435
Adjustment for:			
Depreciation	5,7 & 23a	53,967	56,499
Provisions for end of service indemnities	13	6,612	4,108
Finance costs	20	1,037,479	853,906
Share of net profits from associates and joint ventures	8a	(337,202)	(63,513)
Termination/retirements of right of use assets, net	23a	26	246
Charge for expected credit losses	10b	7,542	11,713
Gain on disposal of a subsidiary	29d	-	(25,320)
Fair value loss on transfer of associate to subsidiary	30a	-	9,205
Gain on acquisition of a subsidiary	30a	-	(1,165)
Operating cash flows before movements in working capital		2,122,685	1,673,114
Development properties, net		(4,100,037)	(827,276)
Trade receivables and others		775,198	(550,406)
Inventories		(5,218)	(9,425)
Trade payables and others		(992,350)	1,368,849
Cash (used in) / from operations		(2,199,722)	1,654,856
Finance costs paid		(1,002,329)	(822,197)
Zakat paid	15a	(112,531)	(16,022)
End-of-service indemnities paid	13	(4,634)	(2,167)
NET CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES		(3,319,216)	814,470
INVESTING ACTIVITIES			
Additions to investment in associates	8a	(174)	-
Purchase of property and equipment	7	(3,633)	(9,424)
Proceeds from disposal of property and equipment	7	1,581	198
Loan to a related party	24c	(308,948)	(799,082)
Acquisition of a subsidiary, net of cash acquired	30a	-	8,009
Disposal of a subsidiary, net of cash disposed off	29c	-	(35,484)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(311,174)	(835,783)
FINANCING ACTIVITIES			
Movement in long-term borrowings		4,395,539	1,307,744
Payment of principal portion of lease liabilities	23b	(9,399)	(11,592)
NET CASH FLOWS FROM FINANCING ACTIVITIES		4,386,140	1,296,152
Increase in cash and cash equivalents		755,750	1,274,839
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR		6,724,672	5,449,833
CASH AND CASH EQUIVALENTS, END OF THE YEAR	11	7,480,422	6,724,672
Non-cash transactions			
Transfer of investment properties to development properties	5&6	3,845	11,335
Net loss on equity instrument designated at FVOCI	9	(17,430)	(840)
Additions to right-of-use assets and lease liabilities	23a	299	3,801
Share of other comprehensive income / (loss) from associate	8	17,222	(6,169)
Investment properties write off	5	-	220
Transfer of equity interest in associates to a subsidiary	8	-	32,262


Authorised Board of Directors Member


Chief Executive Officer


Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025

1. Corporate Information

DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY

– (the "Company"), is a Saudi Joint Stock Company established under the Companies' Laws of the Kingdom of Saudi Arabia. The Company is registered in Riyadh under Commercial Registration No. 1010160195 dated 16/04/1421H, corresponding to 18/07/2000 G. The Company is domiciled in the Kingdom of Saudi Arabia (K.S.A.) and its registered office address is P.O. Box No: 105633, Riyadh-11656, K.S.A.

The equity shares of the Company are listed with the security exchange of the Kingdom of Saudi Arabia.

The Company and its subsidiaries are collectively referred to as "the Group" and is predominantly engaged in the business of development, sale and leasing of real estate projects and associated activities. The Company manages its activities through subsidiaries established for each line of business. These subsidiaries operate under their own commercial registration and are summarised below:

DAR AL ARKAN PROPERTIES (REAL ESTATE) COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010254063, dated 25/7/1429 H (corresponding to 28/7/2008 G). It operates in development and acquisition of commercial and residential real estate. It provides management, operation and maintenance of residential and commercial buildings and public facilities.

DAR AL-ARKAN COMMERCIAL INVESTMENT COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010247585, dated 28/3/1429 H (corresponding to 5/4/2008 G). It operates in purchase and acquisition, lease of real estate investments.

DAR AL-ARKAN SUKUK COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010256421, dated

16/9/1429 H (corresponding to 16/9/2008 G). It operates in Real Estate investments and development.

SUKUK AL-ARKAN COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010274407, dated 11/10/1430 H (corresponding to 01/10/2009 G). It operates in development, maintenance and management of real estates, purchase of land and general contracting.

DAR SUKUK INTERNATIONAL COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010275448, dated 30/10/1430 H (corresponding to 19/10/2009 G). It operates in Real Estate investments and development.

COMPASS PROJECT CONTRACTING COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010521509, 17/6/1438 H (corresponding to 16/3/2017 G). It operates in Real Estate investments and developments, leasing and property management.

MAAQEL REAL ESTATE COMPANY

– is a limited liability company, a wholly owned subsidiary, registered in Riyadh under the Commercial Registration No. 1010600708, 24/2/1441 H (corresponding to 23/10/2019 G). It operates in Real Estate, leasing and property management.

MASAIE AL ENJAZ OPERATION & MAINTENANCE COMPANY

– is a limited liability company, 80% (direct and indirect) owned subsidiary, registered in Riyadh under the Commercial Registration No. 1009051454, dated 04/12/1445H (corresponding to 10/06/2024 G).

It is licensed to engage in renovation of residential and non-residential buildings, retail sale of electronic and household electrical appliances, systems analysis, Real estate development of residential buildings using modern construction methods. As of 31 December 2025, the subsidiary has not commenced its operations.

Dar Al-Arkan Real Estate Development Company wholly owns directly and indirectly the above mentioned subsidiaries. The accompanying consolidated financial statements include the assets, liabilities and the results of operations of the subsidiaries mentioned above.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

2. Accounting Policies

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).

These consolidated financial statements are presented in Saudi Riyals (SR), which is the Group's functional currency.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Standards and interpretations effective in the current year

In the current year, the Group has adopted all amendments to standards issued by the International Accounting Standards Board ("IASB") and as endorsed by SOCPA that are mandatory for adoption in the annual periods beginning on or after 1 January 2025 and are applicable to the Group.

IAS 21	Amendment	· Amendment to assess whether a currency is exchangeable and the determination of spot exchange rate when exchangeability is lacking.
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The adoption of this amendment to standard has not led to any changes in the Group's accounting policies and disclosures provided in the consolidated financial statements.

Standards, amendments and interpretations in issue but not yet effective

The following standards, amendments and interpretations were in issue at the date of authorisation of these financial statements, but not yet effective, and therefore will be adopted if applicable, once effective and endorsed by SOCPA.

The impact of the adoption of these standards is currently being assessed; however, the directors anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the consolidated financial statements of the Group.

IFRS 10 and IAS 28	Amendment	· Amendments related to the sale or contribution of assets between an investor and its associate or joint venture, effective date deferred indefinitely.
IFRS 9 and IFRS 7	Amendment	· Amendment clarifies derecognition of financial liabilities on "Settlement date" and settled through electronic payment system before settlement date with certain conditions, clarifies contractual cash flows characteristic linked with environmental, social and governance (ESG) features, clarifies treatment of non-recourse assets and contractually linked instruments, require additional disclosures financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), equity instruments classified at fair value through other comprehensive income and clarifies contracts referencing nature-dependent electricity. Applicable annual periods beginning on or after 1 January 2026.
Various IFRS	Annual Improvements	· Clarification and amendments relating to various IFRSs under annual improvement program IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Applicable annual periods beginning on or after 1 January 2026.
IFRS 18	New Standard	· New requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. The Group is currently assessing the impact, if any, of the amendments on its primary consolidated financial statements and the notes thereto. Applicable annual periods beginning on or after 1 January 2027.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2025 (Continued)

2. Accounting Policies (Continued)

2.3 ACCOUNTING CONVENTION

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments at fair value and investment in associates and joint venture at equity method. The obligation of post-employment benefits is accounted for at the present value of future obligation. The following are the material accounting policies applied by the Group in preparing its consolidated financial statements. These policies have been consistently applied to the periods presented, unless otherwise stated.

2.4 BASIS OF CONSOLIDATION

The Group consolidates the financial statements of the Company and entities where the group has power over the investees, it is exposed, or has rights, to variable return from its involvements and has the ability to use its power to control and affect its return from the investees or subsidiaries. The consolidated financial statements of the Group consist of operations of the Company and entities controlled by the Company or its subsidiaries.

Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when, it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity. Subsidiaries are fully consolidated from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent

liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any non-controlling interests. The interests of non-controlling shareholders are stated at the non-controlling proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the parent.

The excess of cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the consolidated statement of profit or loss and comprehensive income.

All intra-group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in associates and joint venture

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

A joint venture is a joint arrangement where the parties to the joint venture have rights to the net assets of the joint arrangement and have contractually agreed sharing of joint control over the relevant activities through which the parties to the arrangement can participate to the decision making of the relevant activities require unanimous consents and joint control.

Equity method

Under equity method of accounting, the investments in associates or a joint venture is initially recognised in the consolidated financial position at cost and adjusted by the post-acquisition changes in the Group's share of the profit or loss and other comprehensive income and the net assets of the associate or a joint venture, less any impairment in the value of individual investments. The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting except when classified as held for sale. Losses of the associates or joint control over a joint venture in excess of the Group's interests in those associates or joint venture are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associates or a joint venture is accounted under equity method of accounting from the date of acquisition. Any excess of cost of acquisition over the Group's share of the fair values of identifiable net assets of the associate or a joint venture at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of identifiable net assets of the associate or a joint venture at the date of acquisition (i.e. discount on acquisition) is recognised in the consolidated statement of profit or loss and comprehensive income. When the investment in associates or a joint venture is classified as held for sale or ceases to be an associate or a joint venture, from that date, the group discontinue the use of equity accounting. When a partial sale of an associate or a joint venture which results in losing significant influence over that associate or a joint venture, the remaining investment is measured at fair value on the date of sale and recognised as a financial asset. The differences between the

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

2. Accounting Policies (Continued)

2.4 BASIS OF CONSOLIDATION (CONTINUED)

attributable shares of carrying amount for the retaining interest in that associate or a joint venture and its fair value is included in the determination of gain or loss of the disposal of the associates or a joint venture. In addition, the Group reclassifies the gains or losses from equity, previously recognised in the other comprehensive income to the statement of profit or loss and comprehensive income.

Where a Group company transacts with an associate or a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interests in the relevant associate or a joint venture. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or 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 or joint venture and its carrying value, and then recognises the loss within 'Share of net profits from associates and joint venture' in the statement of profit or loss.

Investment in joint operation

A joint operation is an arrangement where Group entities have joint control of an arrangement and have legally binding rights to the assets and obligations for the liabilities of the arrangement. A Joint control is a legally agreed sharing of control of an arrangement and all the relevant activities of the arrangement require unanimous consent of the parties sharing control.

When the Group entity carry out its activities under joint operations, the Group recognises its interest under the joint operation as follows:

- The asset belongs to the Group, including its share of any assets acquired and held jointly;
- The Liabilities associated with the Group, including its share of any liabilities incurred jointly;
- Group's share of revenue arising from the joint operation;
- Group's expenses, including the share of expenses incurred jointly in the joint operations.

The Group accounts for the assets, liabilities, revenues and expenses associated with its interest in a joint operation in accordance with IFRSs applicable to the particular assets, liabilities, revenues and expenses. When the Group entity is a joint operator and the Group is involved with a sale or asset contribution to the joint operation, the profit and losses resulting from such transitions are recognised in the Group's consolidated financial statement only to the extent of other parties' share in the joint operation. When the Group entity is a joint operator and the Group is involved with a purchase transaction with the joint operation, the Group does not recognise the share of its gain or loss until such assets are resold to a third party.

2.5 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes all directly attributable expenses incurred in bringing the property and equipment to their present location, condition until the property and equipment is available for use. The management periodically review and reassess the estimated future useful life and residual value and accordingly may change or modify the depreciation rates.

Depreciation is charged so as to write off the cost less estimated residual value of assets, other than land, over their estimated useful lives, using the straight-line method, on the following rates:

Buildings	3%
Leasehold improvements	5% - 20%
Vehicles	25%
Machinery and tools	20%
Office equipment	20% - 25%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated profit or loss.

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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 recognised in the consolidated profit or loss.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

2. Accounting Policies (Continued)

2.6 INVESTMENT PROPERTIES

Investment properties principally comprise completed projects (including properties and developed land held for long term capital appreciation) and projects under development (including property projects under construction, land projects under development and land awaiting development). Investment properties are held to earn rentals and/or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative function. Projects under development include those properties in progress of development or awaiting development to commence. These properties are not used for generating sales revenues through normal business operations. The investment properties are initially recognised at cost and the cost of an acquisition is measured at fair value of the assets acquired / transferred. All developments costs (design, development and staff cost) that are directly attributable to the acquisition/ development of the properties are capitalized to derive the total cost.

An investment property is derecognised on sale or disposal when permanently withdrawn or transferred to development properties. Any gain or loss arising from de-recognition of the investment property is recognised in the consolidated profit or loss immediately.

Investment properties are held to earn rentals and/or for capital appreciation, are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost less estimated residual value of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	3%
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Gains or losses arising from the retirement or disposal of investment properties being the difference between the net disposal proceeds and carrying value are included in the consolidated profit or loss for the period of the retirement/disposal.

2.7 DEVELOPMENT PROPERTIES

All development properties are initially measured at acquisition cost and subsequently measured and accounted for lower of cost and net realisable value. This principally consists of projects under progress and land parcels under development for sales in the ordinary course of business, rather than to be held for rental or capital appreciation. Cost comprises all directly attributable cost including direct material cost, direct labour costs, borrowing costs and those overheads that have been incurred in bringing the development properties to their present location and condition. Cost is calculated using the average method. Impairment is tested comparing with net realisable value, which represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

The operating cycle of development properties is such that the majority of development properties are held for longer period and will not be realised within 12 months. If there is a change in management intention and identifies any development property for immediate sale, then the same is split between long-term and short-term development properties representing non-current and current portion of development properties respectively.

At each reporting date management categorises development properties projects as long term or short-term depending on its estimated completion and realisation date. If the completion and realisation date of a project is expected to be within a year from the date of the consolidated statement of financial position, the project is classified as short-term development properties.

2.8 IMPAIRMENT OF TANGIBLE ASSETS

At each reporting date, the Group reviews the carrying amounts of its tangible assets for any indication that those assets have suffered impairment losses. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. When such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. 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 recognised in the consolidated profit or loss.

2.9 ISLAMIC BORROWING COSTS

Islamic borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. During the year, the Group has not capitalised any portion of its borrowing cost. Accordingly, all borrowing costs are recognised as finance costs in the consolidated profit or loss in the period in which they are incurred.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

2. Accounting Policies (Continued)

2.10 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group has become a party to the contractual provisions of the instrument.

The Group initially measure financial assets and financial liabilities at their fair value. All directly attributable transaction costs for the origination, acquisition or issuance of a financial assets and financial liabilities (except for financial assets and financial liabilities accounted at fair value through profit or loss) are added or deducted, as appropriate, from the respective fair value of the financial assets or financial liabilities on initial recognition. Transaction costs that are incurred for financial assets or financial liabilities accounted at fair value through profit or loss are recognised immediately in the consolidated profit or loss.

Classification and measurement – financial assets

Classification and measurement of financial assets are based on the underlying business model and estimated cash flows on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Any derivatives embedded in the contracts are not separated and is considered as a whole for classification. The financial assets are principally categorised as under:

- Amortised cost
- Fair value through other comprehensive income(FVTOCI)
- Financial assets that are initially recognised at fair value are subsequently measured at amortised cost based on expected credit loss (ECL) described below:
- 12-month expected credit losses- expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date.

- Lifetime expected credit losses- expected credit losses that result from all possible default events over the life of the financial instrument.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:

- Debt instruments measured subsequently at amortised cost or at FVTOCI;
- Lease receivables;
- Trade receivables and contract assets; and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15.

Trade receivables

Trade receivables are classified as financial assets and are initially recognised at the amount of consideration/ transaction price unless they contain significant financing components, when they are recognised at fair value. The Group do not charge interest on trade receivable and holds the principal outstanding of the trade

receivables with the objective to collect the contractual cash flows therefore measures them subsequently at amortised cost using the effective interest method less any provision for impairment for expected credit loss. The Group assesses receivables that are individually significant and receivables included in a group of financial assets with similar credit risk characteristics for impairment. This assessment of impairment requires judgment. In making this judgment, the Group evaluates credit risk characteristics that consider past default experience of the customer and analyse the general economic conditions of the industry in which the customers operate and current financial position specific to the customers and an assessment of both the current as well as the forecast direction of past-due status and other loss event factors being indicative of the ability to pay all amounts due as per contractual terms at the reporting date. A provision for credit loss is made where there is an objective evidence, including customers with financial difficulties or in default on payments, that amounts will not be recovered in accordance with original terms of the agreement and the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced with the provision for expected credit loss and any impairment loss is recognised in the consolidated profit or loss.

Management applies the simplified approach in calculating ECLs. Therefore, management does not track changes in credit risk, but instead recognised a loss allowance base on lifetime ECL's at each reporting date. Management has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2025 (Continued)

2. Accounting Policies (Continued)

2.10 FINANCIAL INSTRUMENTS (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits held by the Group with original maturities of three months or less.

Financial liabilities

Financial liabilities include Islamic Sukuk and Islamic Murabaha and are classified according to the substance of the respective contractual arrangement and are initially measured at their fair value, net of transaction costs. Financial liabilities are subsequently carried at their amortised cost, with commission cost being recognised on an effective yield basis in the consolidated statement of profit or loss over the term of the instrument.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost.

2.11 REVENUE RECOGNITION

Revenue represents the sale of completed real estate properties, revenue from construction/ development of real estate properties and leasing of residential properties.

Sale of completed properties – recognised at the point of sale

Real estate properties which are sold as completed properties are immediately recognised as revenue at the point of sale. The revenue for these categories of assets are only recognised when the control with significant risks and rewards of ownership have been transferred to the buyer and the Group had enforceable right to payment for the performance completed. The transfer of ownership and the controls are assessed at the time of legal completion of the sale or transfer of assets. Revenue is measured at the fair value of consideration entitled in a contract.

Properties constructed/developed under contract with customer – recognised over the time

The Group develop and sale properties under long term construction/development contract or agreement. Usually such contracts are entered before the start of the construction and the terms of the contracts restrict the transfer of asset to another customer and has no other alternative use and the Group had enforceable right to payment for the performance completed to date where the objective and the outcome of such contracts can be estimated reliably, the revenue and cost of such developments are recognised through input and output method, whichever best reflects the transfer of control of the project or developed property.

Where the outcome of the contract cannot be estimated reliably, the contract revenue is recognised to the extent of cost incurred and probability recoverable against such contract.

The Group recognises all the incremental costs of obtaining or performing a contract as assets if it expects to recover those costs from the transaction price. The incremental costs are those costs that the Group would not have incurred if the contract had not been obtained. All costs to fulfil its obligations under an existing contract, or an anticipated contract, are capitalised in accordance with IFRS 15 if the costs:

- directly relates to such specific contract;
- are expected to be recovered.
- Create, enhance or generate the resources of the company which will be used in performing the current or future performance obligations

All asset recognised in relation to contract costs is systematically amortised on a basis consistent with the pattern or proportion of transfer of the obligation under the contract to which the asset relates.

If the overall amortisation period of such expenses is one year or less the Group may expense such cost when incurred. All advance payments and the milestone payment which received in excess of the revenue recognised to date are recognised as contract liability. Considering the short period between the milestone payment and revenue recognition under the cost-to-cost method, these are not considered to be a significant financing component in the construction contracts with customers.

The Group assesses the carrying value of such assets and when it is probable that the total contract cost will exceed total contract revenue, the estimated loss is recognised as expenses immediately

Construction Management Services – recognised over the time

Revenue from construction management services is measured on the considerations specified in the contract with customers. Contract revenues are recognized based on services provided to the customers (the services represent the performance obligation of the contract) over the terms of these agreements.

Leases

With respect to lease rental income, the Group recognises revenue on a straight-line basis over the lease term.

2.12 ZAKAT

Zakat is calculated pursuant to Zakat Regulation in the Kingdom of Saudi Arabia and recognised in the respective subsidiaries or in the consolidated statement of profit or loss in each year. The provision is based on an estimate of Zakat that is adjusted in the financial year in which the final assessment of Zakat is issued by the Zakat, Tax and Customs Authority ("ZATCA"). Any change in the estimate resulting from the final assessment is recognised in that year when final assessments are received.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

2. Accounting Policies (Continued)

2.13 FOREIGN CURRENCIES

Transactions in currencies other than Saudi Riyals, the presentational and functional currency of each subsidiary within the Group, are recorded at the rates of exchange prevailing on the dates of the transactions. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value, that are denominated in foreign currencies, are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The resulting exchange gains or losses are recognised in the consolidated statement of profit or loss and comprehensive income.

2.14 END OF SERVICE INDEMNITIES

The Group provides end of service benefits to its employees in accordance with the labour law provisions of Saudi Arabia. The entitlement to these indemnities is based upon the employee's final salary, length of service and the completion of a minimum service period. The costs of these indemnities are accrued over the period of employment, based on the estimated ultimate payment.

Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income, in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.15 RETIREMENT BENEFIT COSTS

The Group makes contributions in line with the General Organisation for Social Insurance Regulations and are calculated as a percentage of employees' wages. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan. Payments made to defined contribution retirement benefit plans are charged as an expense as they fall due.

2.16 PROVISIONS

A provision is recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

2.17 LEASING

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rentals receivable under leases are recognised to the consolidated profit or loss on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental revenue.

Group as a lessee

At the inception of non-cancellable leases an asset identified as "right-of-use assets" measured at cost with appropriate discounting applied on relevant components of lease term and payment obligations including initial direct cost, lease escalations and lease incentives mentioned in the underlying lease agreement. Subsequent to the initial measurement and recognition, the "right-of-use assets" are periodically measured by using cost model which comprises initially measured cost and any impairment adjustments less accumulated depreciation.

Corresponding to this commencement date a "lease liability" is measured at the net present value of all the unpaid lease payments as on that date discounted by using the rate implicit in the lease, if this rate cannot be readily determined, the Group uses its incremental borrowing rate. Subsequent to the initial measurements "lease liability" are periodically measured by increasing the carrying cost to reflect the interest charge on unpaid future lease liability and any re-measurement adjustment less lease payments made up to that date.

The depreciation cost for "right- of-use assets" and the interest cost for "lease liability" is charged to the consolidated profit or loss as depreciation and finance charges.

In case of existing, short term, small value leases the entity continues to charge the periodic lease payments to the consolidated profit or loss as an expense on straight-line basis over the term of the relevant lease.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2025 (Continued)

2. Accounting Policies (Continued)

2.18 LEASING (CONTINUED)

3. Significant Accounting Estimates, Assumptions And Judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revenue Recognition

The Group recognises revenue (refer note 2.11) when the control with significant risks and rewards of ownership is transferred to the buyer. The Group measures the revenue based on the consideration entitled in a contract with a customer excluding amounts, if any, collected for and on behalf of third parties.

With respect to land properties/projects, the Group receives an initial non-refundable deposit upon signing the sale contract with the balance being paid on a deferred basis, which typically does not exceed three months. The Group recognises the full amount of the consideration as revenue at the point in time when the control of the property is transferred to the buyer through a legally enforceable sale contract which is signed between the buyer and the Group.

With respect to residential and commercial projects, the Group typically receives an initial deposit on the signature of the sales contract and the balance is collected over a period as per the terms of the contract. Revenue from the sale of these properties is only recognized at the point in time when the control of the property is transferred to the buyer through a legally enforceable sale contract which is signed between the buyer and the Group and the completed property is delivered to the purchaser.

With respect to residential and commercial projects sold under a construction contract, usually such contracts are entered before the start of the construction and the terms of the contracts restrict the transfer of asset to another customer and has no other alternative use and the Group had enforceable right to payment for the performance completed to date where the objective and the outcome of such contract or agreement can be estimated reliably, the revenue and cost of such developments are recognised when the control is passed with significant risks and rewards of ownership to the buyer. The revenue against these customer contracts is recognised over the time as per under IFRS 15 in proportion to the performed/measured stages of completion against the total contractual obligations/milestones including variation, claims and incentives at the end of each reporting period, except where the performed work are not a representative of the stage of completion.

A performance obligation is considered satisfied over the time when at least one of the following criteria is met:

- The customer receives and consumes the benefits of the Companies' performance as it performs.
- The performance creates and enhances the value of the customer-controlled asset.
- The Group has no alternative use to the asset being created and has the legally enforceable right to payment for all obligations performed or completed to date.

With respect to project management, cost management and construction management revenue recognition and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as material quantities, the achievement of milestones, penalty provisions if any, labour productivity and cost estimates. Variable consideration is included in the estimate of transaction price only to the extent that a significant reversal would not be probable. We continuously monitor

factors that may affect the quality of our estimates, and material changes in estimates are disclosed accordingly.

With respect to lease rental income, the Group recognises revenue on a straight line basis over the lease term.

Recognition of cost of sales

The Group has development properties which typically contain a number of individual projects within each development. In order to determine cost of sales related to properties or units sold during the year, the management estimates and average the costs of the entire developments, including infrastructure costs and overall construction and other directly attributable costs to arrive the total estimated cost of the project. These estimated costs are allocated to each project within the development and each unit within a project. These estimates are reviewed regularly on a profit per project basis and revised as necessary. Any significant change in these estimates may result in additional costs being recorded in future periods related to revenue recognised in a prior year.

Measurement of contract assets and trade receivables

The group management makes significant assumptions on the estimation of expected credit loss (ECL) in connection with contract assets and/or trade receivables which is assessed based on the terms of contracts. The Group assesses receivables that are individually significant and receivables included in a group of financial assets with similar credit risk characteristics for impairment. This assessment of impairment requires judgment. In making this judgment, the Group evaluates credit risk characteristics giving considerations for past default experience of the customer, analyse the general economic conditions of the industry in which the customers operate, current financial position specific to the customers and an assessment of both the current as well as the forecast direction of past-due status and other loss event factors being indicative of the ability to pay

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

3. Significant Accounting Estimates, Assumptions And Judgments (Continued)

all amounts due as per contractual terms at the reporting date. A provision for expected credit loss is made where there is an objective evidence, including customers with financial difficulties or in default on payments, that amounts will not be recovered in accordance with original terms of the agreement and the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate.

Based on such periodic assessment the Group recognise for full lifetime expected losses for all contract assets and/or all trade receivables with or without significant financing transaction using provision matrix and for lease receivables. For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Classification of properties

The Group's properties are classified as either investment properties or development properties. Management has made various judgments to determine whether a property qualifies as an investment property which is held to earn rentals and/or for capital appreciation or both. These are not used for generating sales revenues through normal business operations. A development property comprises completed properties, developed land, property projects under construction, land projects under development and land awaiting development predominantly identified for sale in the ordinary course of business. In making its judgment, management considers its intended use of property. When management assess that certain investment properties will be disposed as part of normal business operation, their carrying cost will be transferred to development properties for final completion of development and transfer.

Subsequent transfer of investment properties

Investment properties are the interests in land and/or buildings

that are held for earning rentals or investment potential and not for sale in the ordinary course of business. Management assesses the intended use of its real estate properties on continuous basis and summarises the portfolio at every reporting period. When the periodic management assessment identifies any change in the use of a property previously classified as investment properties, their carrying cost is transferred to development properties for further development and final transfer under ordinary course of business. While re-assessing the intended use, management considers the holding period, possibility of further appreciations, related economic activities around such properties and need for further development to make the property ready for sale.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with the intent to sale.

Carrying value of development properties

The Group's principal activity is currently the development and sale of land, residential and commercial property. Due to the nature of this activity, much of the development is speculative in nature. Accordingly, the consolidated statement of financial position at 31 December 2025 reflects assets that are not covered by forward sales contracts.

The development properties are stated at the lower of cost and net realisable value. The Group assesses the net realisable value of its development properties at each reporting date, through an internal tolerance check, which includes an assessment of profit per project basis and compares the carrying and estimated future costs to complete with the expected selling price per unit based on historical activities and available comparable in the surrounding location.

For the determination of the expected net realisable value of the development properties, the Group extensively uses its management's subjective expertise and location knowledge together with comparable transactions recorded in the surrounding area for non-related arms lengths transactions. The estimated mark-up arrived using these methodologies disclosed as a percentage (%) of net-margin over the carrying cost.

To neutralise data risk, the Group also estimates the potential uplift in value of its development properties by using the Accounting Rate of Return ("ARR"). Under ARR method, the Group estimates return from assets considering future revenue streams, development costs and all directly attributable cost including financing cost, market risk and targeted profit. These assumptions and estimates are reviewed periodically based on the market conditions existing at the end of every reporting period.

Below are the key assumptions the Group used to estimate net realisable value of its development property portfolio:

	2025 Range	2024 Range
Profit margin on carrying cost – development properties	20% - 25%	20% - 25%
Targeted ARR – development properties	3-5%	3-5%

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

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, regardless of whether that price is directly observable or estimated using another valuation technique.

While estimating the fair value of an asset or a liability the group take into consideration of the assumptions that market participants would use when pricing the asset or liability for their best economic interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the best use or by selling it to another market participant for the 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.

For the financial reporting purpose, The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

- Level 1: Quoted prices in active markets for the same instrument (i.e., without modification or additions);
- Level 2: Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data and;
- Level 3: Valuation techniques for which any significant input is not based on observable market data.

For the determination of the fair value of the investment properties, the Group engage third party independent real estate valuation experts using recognised valuation methods to value the investment properties wherever it is possible and practical. The fair value arrived using these methodologies are disclosed in note 5.

The valuation agencies mostly use capitalisation method, under this method the income under existing lease agreements are extrapolated to arrive at projected future rental revenues, which is capitalised at appropriate rates reflecting the investment market conditions at the valuation dates.

The groups future rental stream estimations are based on certain assumptions and are subject to market volatility, uncertainty and can materially differ from the actual results. The absence of well-developed and active market condition brings greater degree of uncertainty and volatility to estimated fair valuation of investment properties than which exists in a more active market.

Below are the key assumptions the group used to estimate fair value of its investment properties:

	2025 Range	2024 Range
Estimated capitalisation of yields- investment properties	6-8%	6-8%

Determination of control, joint control and significant influence

Subsidiaries are all investees over which the Group has control. Management considers that it controls an investee when the Group is exposed to or has rights to the majority of the variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

The determination about whether the Group has power depends on the way decisions about the relevant activities are made and the rights the Group has, in relation to the investees. It is generally presumed that the Group could exercise significant influence when the Group owns 20% shareholding. However, detailed evaluation and judgements are required for each investee, particularly when the Group owns shareholding and voting rights of more or less than 20% to assess whether the Group has 'significant influence' over such investees.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

4. Reporting Segments

For management purpose, the Group is organised into three segments. Management develops its strategic planning, resource allocation and business model around these segments and the Chief Operating Decision Maker (CODM) monitors the operating results of these segments separately for the purpose of making decisions about resource allocation and performance assessment, therefore, Group's reportable segment under IFRS 8 is as follows:

- Development of Properties – Under this segment, the Group categorises all its real estate properties under development which are acquired, developed and sold. It includes:
 1. Residential and commercial properties whether completed or under development ("Residential and Commercial Projects")
 2. Land and investment in land properties which are undeveloped, developed with or without infrastructure and the sale of such properties ("Land Projects").
- Project management, consulting and contracting (PMCC) – This segment comprises revenue from construction management, consulting, and contracting services provided under contractual arrangements with customers.
- Leasing of Properties – leasing and management of properties that the Group has retained as rental properties including commercial and residential units on its Master-Planned Communities for generating recurring revenues.
- Other segment – The sale of luxury furniture items is not a reportable segment, as it is not separately included in the report provided to the CODM or does not meet the criteria for the quantitative threshold. The results of its operations are included in the 'Other' column.

The Group does not allocate share of profits of associates and joint ventures, general administration, selling and marketing costs including directors' salaries, finance costs, other income and Zakat expense to its segments.

Substantially all of segment operating activity (including revenue and costs) for the year ended 31 December 2025 and 31 December 2024 was generated from the development properties segment. The Group provided breakdown of revenue, profit, assets and liabilities by operating segment.

The Group operates mainly in Saudi Arabia and all its revenues are derived from its portfolio of properties which the Group manages.

The segment wise revenue, gross profit, operating expenses, operating profit, total assets and total liabilities from development properties (land, residential and commercial projects), and leasing of properties are presented below:

	Notes	For the year ended 31 December 2025				Group Total
		Development Properties	PMCC	Leasing of Properties	Other	
SEGMENT WISE PROFIT & LOSS		SR 000	SR 000	SR 000	SR 000	SR 000
Revenue	17	3,463,458	277,867	149,366	9,111	3,899,802
Cost of revenue	18	(1,793,575)	(223,396)	(33,412)	(5,810)	(2,056,193)
GROSS PROFIT		1,669,883	54,471	115,954	3,301	1,843,609
Operating expenses:						
General and administrative expenses	19					(256,558)
OPERATING PROFIT						1,587,051
Finance costs	20					(1,037,479)
Other income, net	21					467,487
Share of net profit from associates and joint ventures	8a					337,202
PROFIT BEFORE ZAKAT						1,354,261
SEGMENT WISE ASSETS & LIABILITIES						
TOTAL ASSETS		40,324,753	228,784	988,887	70,537	41,612,961
TOTAL LIABILITIES		17,385,852	171,157	1,752,379	70,487	19,379,875

	Notes	For the year ended 31 December 2024				Group Total
		Development Properties	PMCC	Leasing of Properties	Other	
SEGMENT WISE PROFIT & LOSS		SR 000	SR 000	SR 000	SR 000	SR 000
Revenue	17	3,449,850	158,065	143,286	7,821	3,759,022
Cost of revenue	18	(2,008,665)	(113,191)	(33,658)	(3,500)	(2,159,014)
GROSS PROFIT		1,441,185	44,874	109,628	4,321	1,600,008
Operating expenses:						
General and administrative expenses	19					(265,901)
OPERATING PROFIT						1,334,107
Finance costs	20					(853,906)
Share of net profit from associates and joint ventures	8a					63,513
Other income, net	21					264,819
PROFIT BEFORE ZAKAT						808,533
SEGMENT WISE ASSETS & LIABILITIES						
TOTAL ASSETS		35,714,687	104,871	1,045,652	75,012	36,940,222
TOTAL LIABILITIES		14,322,259	43,814	1,398,473	74,962	15,839,508

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**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

5. Investment Properties, Net

The movement in investment properties is as follows:

	2025	2024
	SR 000	SR 000
COST		
At beginning of the year	1,378,157	1,392,932
Transfer to development properties (note 6)	(5,209)	(14,555)
Write off	-	(220)
At end of the year	1,372,948	1,378,157
ACCUMULATED DEPRECIATION		
At beginning of the year	395,157	364,719
Transfer to development properties (note 6)	(1,364)	(3,220)
Charged during the year (note 18)	33,412	33,658
At end of the year	427,205	395,157
CARRYING AMOUNT AT THE END OF THE YEAR	945,743	983,000

Included within investment properties is land with an original cost of SR 270 million (31 December 2024: SR 270 million).

FAIR VALUE ESTIMATION:

Fair value of the investment properties is estimated by a recognised independent valuation agency not related to the Group (ValuStrat Saudi Arabia, a licensed member of Saudi Authority of Accredited Valuers) by using income capitalisation method in December 2025. The range of capitalisation rates are determined based on the nature and the highest and the best designated use of the assets and various external references for similar type of assets. There has been no change in the valuation technique during the year. The annualised lease cash flows are estimated by extrapolating and adjusting current lease revenues for optimal occupancy and capitalising it at an annual rent yield of 6-8% (2024: 6-8%) between residential and commercial leased properties to arrive the fair value estimated as below:

	2025	2024
	SR 000	SR 000
CARRYING AMOUNT	945,743	983,000
ESTIMATED FAIR VALUE		
Estimated on annual rent yield on investment properties	1,363,000	1,457,000

SENSITIVITY IN FAIR VALUE ESTIMATION:

	Increase in rate	Decrease in rate
	SR 000	SR 000
Change in fair value of investment properties		
50 basis points change in capitalisation rate	(60,000)	66,000
Sensitivity impact on estimated fair value	(60,000)	66,000

The estimated fair value of Group's investment properties can be impacted by unobservable inputs determined based on existing market conditions. The impact of two unobservable inputs may not be off-setting each other; for example, an increase in capitalisation rate may off- set an increase in annual rent but an increase in annual rent with a decrease in capitalisation rate would boost the fair value.

The fair value of investment properties disclosed is categorised under Level 3 in the fair value hierarchy.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

6. Development Properties

The movement in development properties, the principal operation of the Group, is summarised as follows:

Year ended 31 December 2025					
	Short-term developed projects	Short-term developed land	Long-term developed land/project	Long-term projects under development	Total
	SR 000	SR 000	SR 000	SR 000	SR 000
COST					
At beginning of the year	2,407	109,467	980,161	19,897,104	20,989,139
Additions, net during the year	-	118	587	5,892,907	5,893,612
Transfer, net (note a)	-	17,379	3,845	(17,379)	3,845
Charged to cost of sales during the year (note 4)	-	(126,964)	(15,054)	(1,651,557)	(1,793,575)
CARRYING AMOUNT AT THE END OF THE YEAR	2,407	-	969,539	24,121,075	25,093,021
Short-term development properties					2,407
Long-term development properties					25,090,614

Year ended 31 December 2024					
	Short-term developed projects	Short-term developed land	Long-term developed land/project	Long-term projects under development	Total
	SR 000	SR 000	SR 000	SR 000	SR 000
COST					
At beginning of the year	2,407	109,071	1,046,183	19,215,626	20,373,287
Additions, net during the year	-	396	171,753	2,663,792	2,835,941
Disposal of a subsidiary (note 29)	-	-	(222,759)	-	(222,759)
Transfer, net (note a)	-	-	11,335	-	11,335
Charged to cost of sales during the year (note 4)	-	-	(26,351)	(1,982,314)	(2,008,665)
CARRYING AMOUNT AT THE END OF THE YEAR	2,407	109,467	980,161	19,897,104	20,989,139
Short-term development properties					111,874
Long-term development properties					20,877,265

The properties held for development are stated at the lower of cost and net realisable value. Development properties are classified as current if they are completed or expected to be completed/realised within 12 months, otherwise they are classified as non-current.

Projects under development include land with cost amounting to SR 17.16 billion (31 December 2024: SR 16.5 billion), which represents the Group's share in land with other investors according to the contract and agreements for investments and development of the land.

During the year ended 31 December 2025 the Group has not capitalised borrowing costs on qualifying assets (31 December 2024: SR nil).

Note (a) – During the year ended 31 December 2025, investment properties with a net book value of SR 3,845 thousand (31 December 2024: SR 11,335 thousand) were transferred to development properties (note 5).

INTERNAL TOLERANCE EVALUATION:

During the year, the Group's management and directors conducted an internal tolerance evaluation on its development properties portfolio to identify the existence or indication of possible impairment. This internal tolerance evaluation is based on the market indications and margins achieved on similar parcels of properties. The internal tolerance evaluation for the reporting year demonstrated an estimated market value indicating an average uplift of 20% (31 December 2024: 20%) across the development property portfolio. The management believes that the resultant uplift on the book value is a conservative indication of the value of the development properties of the Group.

In view of the continuing volatility and uncertainty in the real estate sector, the transaction volumes are showing considerable stabilisation on lowering price trend. Hence, to normalise the internal value assumptions along with known comparable transaction between unrelated parties at arms-length around properties, the management included an additional valuation technique of average accounting rate of return ("ARR") in the range of 3-5% (2024: 3-5%) for development properties to arrive at the estimated values.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

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Year ended 31 December 2025				
	Short-term developed projects	Long-term developed land/project	Long-term projects under development	Total
	SR 000	SR 000	SR 000	SR 000
COST	2,407	969,539	24,121,075	25,093,021
ESTIMATED VALUE				
Estimated value @ 20% margins on cost	3,000	1,163,000	28,945,000	30,111,000
Estimated value @ 3-5 % ARR	3,000	1,318,000	28,938,000	30,259,000
Average value of land	3,000	1,240,500	28,941,500	30,185,000
Estimated Value	3,000	1,238,000	28,938,000	30,179,000

Year ended 31 December 2024					
	Short-term developed projects	Short-term developed land	Long-term developed land/project	Long-term projects under development	Total
	SR 000	SR 000	SR 000	SR 000	SR 000
COST	2,407	109,467	980,161	19,897,104	20,989,139
ESTIMATED VALUE					
Estimated value @ 20% margins on cost	3,000	131,000	1,176,000	23,877,000	25,187,000
Estimated value @ 3-5 % ARR	3,000	139,000	1,205,000	23,129,000	24,476,000
Average value of land	3,000	135,000	1,190,500	23,503,000	24,831,500
Estimated Value	3,000	136,000	1,189,000	23,495,000	24,823,000

The result of this exercise has indicated a higher value than carrying cost stated in the consolidated statement of financial position.

A change in the basis of these estimates in the future could have an impact on the valuation of the development properties.

Sensitivity analysis for internal tolerance valuation:

The estimated net realisable value of Group's development properties can be impacted by the market conditions exists at the time of actual transaction. The following table shows the effect of changes in margin % and ARR on the estimated value of development properties:

	Increase	Decrease
	SR 000	SR 000
Change in value of development properties		
10% change in margins	2,509,000	(2,509,000)
1% change in ARR	1,160,000	(1,090,000)
Average change in value of development properties	1,834,500	(1,799,500)

The above values represent the minimum impact on net realisable value of the development properties of the Group exclusively for the impairment study purposes. It is not the fair market value of the development properties.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)

7. Property And Equipment, Net

31 DECEMBER 2025	Land and buildings	Leasehold improvement	Vehicles	Machinery and tools	Office equipment	Total
	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000
COST						
Balance at 1 January 2025	92,125	38,672	7,964	27,088	63,192	229,041
Additions during the year	-	2,471	-	-	1,162	3,633
Disposals during the year	-	(2,010)	-	-	(2,530)	(4,540)
Balance at 31 December 2025	92,125	39,133	7,964	27,088	61,824	228,134
ACCUMULATED DEPRECIATION						
Balance at 1 January 2025	56,862	19,058	7,760	20,105	56,322	160,107
Depreciation for the year (note a)	2,505	7,021	70	640	1,788	12,024
Disposals during the year	-	(503)	-	-	(2,456)	(2,959)
Balance at 31 December 2025	59,367	25,576	7,830	20,745	55,654	169,172
CARRYING AMOUNT AT 31 DECEMBER 2025	32,758	13,557	134	6,343	6,170	58,962
31 DECEMBER 2024						
	Land and buildings	Leasehold improvement	Vehicles	Machinery and tools	Office equipment	Total
	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000
COST						
Balance at 1 January 2024	92,125	36,929	7,964	27,088	64,455	228,561
Additions for the year	-	7,817	-	-	1,607	9,424
Acquisition of a subsidiary (note 30)	-	1,501	-	-	2,042	3,543
Disposal of a subsidiary (note 29)	-	(7,039)	-	-	(339)	(7,378)
Disposal	-	(536)	-	-	(4,573)	(5,109)
Balance at 31 December 2024	92,125	38,672	7,964	27,088	63,192	229,041
ACCUMULATED DEPRECIATION						
Balance at 1 January 2024	54,357	14,535	7,690	19,441	58,980	155,003
Depreciation for the year	2,505	6,814	70	664	1,932	11,985
Disposal of a subsidiary (note 29)	-	(1,953)	-	-	(17)	(1,970)
Disposal	-	(338)	-	-	(4,573)	(4,911)
Balance at 31 December 2024	56,862	19,058	7,760	20,105	56,322	160,107
CARRYING AMOUNT AT 31 DECEMBER 2024	35,263	19,614	204	6,983	6,870	68,934

Note (a): During the year ended 31 December 2025, depreciation for the year amounting to SR 11,384 thousand and SR 640 thousand is charged to general & administrative expenses and cost of revenue respectively (31 December 2024: SR 10,205 thousand, SR 640 thousand & SR 1,140 thousand is charged to general & administrative expenses, cost of revenue and discontinued operations respectively).

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Notes To The Consolidated Financial Statements For The Year Ended 31 December 2025 (Continued)

8. Investments In Associates And Joint Venture

Investments in associates and joint venture represent equity ownership in the investee companies, where the Group exercises significant influence or joint control. The Group's ownership in these investee companies ranges from 18% to 88%. For entities where the equity interest is less than 20% or more than 50%, management believes that it is able to exert significant influence due to contractual arrangement and its involvement and representation at board level. Movement in investments in associates and joint ventures is as follows:

a. Investments in associates and joint ventures:

	2025	2024
	SR 000	SR 000
Investments, beginning of the year	2,628,356	2,603,245
Share of net profits during the year	337,202	63,513
Additions	174	-
Other comprehensive income/(loss) during the year	17,222	(6,169)
Addition due to acquisition of a subsidiary (note vi)	-	29
Disposal, net (note v)	-	(32,262)
Investments, end of the year	2,982,954	2,628,356

b. Summarised details of holding in respect of the Group's associates and joint venture is set out below:

Name of the entity	2025		2024	
	Amount	Holding	Amount	Holding
	SR 000	%	SR 000	%
Alkhair Capital Saudi Arabia (ACS) (i)	422,000	42.2%	422,000	42.2%
Khozam Real Estate Development Company (KDC) (ii)	525,547	66.5%	525,547	66.5%
Dar Global PLC (DG PLC) (iii)	1,255,123	88%	1,255,123	88%
Other associates and joint venture	52,472		52,298	
Accumulated share of profits & other comprehensive income	727,812		373,388	
Balance, end of the year	2,982,954		2,628,356	

c. Summarised financial information in respect of the Group's associates and joint venture is set out below:

As at 31 December 2025

	KDC	ACS	DG PLC (NOTE C)	OTHERS	TOTAL
	SR 000	SR 000	SR 000	SR 000	SR 000
Total assets	544,730	1,210,508	7,735,427	213,852	9,704,517
Total liabilities	(36,635)	(20,632)	(5,554,974)	(1,446)	(5,613,687)
Net assets	508,095	1,189,876	2,180,453	212,406	4,090,830
Others*	171,603	-	(168)	-	171,435
Group's share of net assets	509,486	502,128	1,918,651	52,689	2,982,954

For the year ended 31 December 2025

Total revenue for the year	-	93,968	2,017,635	5,207	2,116,810
Total profit for the year	827	29,135	368,452	434	398,848
Other adjustments - note b	-	(17)	-	-	(17)
Other comprehensive income	-	-	19,570	-	19,570
Total comprehensive income for the year	827	29,118	388,022	434	418,401
Group's share of profit & other comprehensive income for the year, net	550	12,288	341,459	127	354,424

As at 31 December 2024

	KDC	ACS	DG PLC	OTHERS	TOTAL
	SR 000	SR 000	SR 000	SR 000	SR 000
Total assets	543,902	1,190,764	5,399,488	239,271	7,373,425
Total liabilities	(36,635)	(30,006)	(3,607,224)	(27,599)	(3,701,464)
Net assets	507,267	1,160,758	1,792,264	211,672	3,671,961
Others - notes a	171,603	-	-	-	171,603
Group's share of net assets	508,936	489,840	1,577,192	52,388	2,628,356

For the year ended 31 December 2024

Total revenue for the year	-	105,197	900,266	51,512	1,056,975
Total profit for the year	844	27,073	55,864	2,781	86,562
Other adjustments - note b	-	145	-	(21)	124
Other comprehensive loss	-	-	(7,010)	-	(7,010)
Total comprehensive income for the year	844	27,218	48,854	2,760	79,676
Group's share of profit & other comprehensive income for the year, net	561	11,486	42,992	2,305	57,344

Other notes -

- (a) KDC net assets includes SR 172 million of premium paid to obtain exclusivity right - refer note (ii);
- (b) Other adjustments pertain to the adjustment to retained earnings of the associates and joint venture.
- (c) It represents the share of net assets attributable to non-controlling interests in DG PLC

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**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

Details of transactions with associates and joint ventures are disclosed under note 24 of these consolidated financial statements. The nature of relationship and operations of each reported entities are detailed below:

(i) Alkhair Capital Saudi Arabia (ACS): The Group had originally invested SR 102 million representing 34% of the paid-up share capital of ACS and during 2019, ACS increased the paid-up share capital by additional SR 700 million. The Group has acquired additional capital by investing SR 320 million and accordingly, the investment's initial cost was SR 422 million which represents 42.2% equity interest. This investment has been accounted for as investment in associate under equity method of accounting.

(ii) Khozam Real Estate Development Company (KDC): The Group investment in KDC is 66.5% with Jeddah Development and Urban Regeneration Company (JDURC). As per the arrangements, the power to govern the financial and operating activities which affect the returns of KDC is jointly bestowed with the shareholders. Accordingly, the Group does not have any right to variable returns or absolute power to control with the ability to affect the returns of the investee company and consequently, the Group's investment in KDC is accounted for as investment in joint venture under equity method.

The KDC investment include SR 359 million as capital contributions fully paid in cash and SR 172 million premium paid to obtain exclusive right to participate in the Khozam project development. Based on assessment, the management believes that the value of the total investment in KDC has not impaired.

(iii) Dar Global PLC (DGPLC): On 28 February 2023, Dar Global PLC, an indirectly wholly owned subsidiary of the Group, had listed its shares on the London Stock Exchange's main market for listed securities. Dar Global PLC offered 21,621,612 ordinary shares for subscription through a private placement at a price of USD 3.33 per share with a total value of USD 72 million. Due to issuance of

new 21,621,612 shares by Dar Global PLC through private placement at the time of listing, the Group's equity interest diluted from 100% to 88%. Furthermore, due to listing requirements, the Group has lost control of the entity but exercise significant influence, hence the investment has been classified as associate and accounted for under equity method. The Group has recognised the initial investment in associate amounting to SR 1,255 million including SR 98.6 million which represents its share of other changes in equity of associate related to its share premium. The fair value of the Group's investment in DG PLC based on its trading price at 31 December 2025 is SR 4,287 million (31 December 2024: SR 4,396 million).

OTHER ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

(iv) Eastern Juman Company (Juman): During 2016, the Group had invested in Eastern Juman Company, a Limited Liability Company established mainly for the development of Juman project located between Dammam and Ras Tanura. The Company is registered in Riyadh under the Commercial Registration No. 1010462791 dated 15/10/1437H, (corresponding to 20/07/2016) with a capital of SR 8.2 million. The Group has paid SR 1.5 million towards the 18.29% of its capital and management believe that the value of the total investment has not impaired.

(v) Compass Project Investments SPV Limited: During 2022, the Group had invested SR 19.2 million representing 51% ownership of Compass Project Investments SPV Limited, a private company limited by shares incorporated in United Arab Emirates. However, during the year 2024, the Group has acquired additional shares to increase its shareholding to 90% and obtained control of the entity. The entity is established mainly for rendering technical support for project management, cost control, construction management and risk management (refer note 30).

(vi) Compass Arabia Project Holding Limited for Professional Consultation: During 2024, in result of obtaining control of Compass Project Investment SPV Limited, the Group also obtained 30% shares

in the entity conferring with significant influence over the entity. The Group's investment in the entity is accounted for as investment in associate under equity method. The Company operates in architectural and engineering consultancy activities, engineering consultation for urban planning, engineering consultation for landscape architecture.

(vii) Ibdac Real Estate Company: During 2022, the Group had invested SR 50.8 million representing 25% ownership of Ibdac Real Estate Company, a limited liability company registered in Jeddah. The Company operates real estate activities including, selling and purchasing of lands, real estate managements, brokerage activities, constructions including general construction for civil buildings.

(viii) Dar Global Real Estate Development Company: During 2025, the Group had invested SR 174 thousand representing 58% ownership of Dar Global Real Estate Development Company, a limited liability company registered in Riyadh. The Company operates in construction and renovation of residential and non-residential buildings, real estate development of residential and commercial properties, and the buying, selling and off-plan sale of land and real estate.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

9. Investments In Financial Assets

a) Fair value through other comprehensive income (FVOCI)

This financial asset represents equity shares held in SHL Finance Company, a publicly listed entity for medium to long-term strategic purposes and are not held for trading, hence classified as fair value through other comprehensive income. The gain/(loss) arising on these financial assets are recognised in the other comprehensive income/(loss).

The movement during the year are detailed below:

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	190,890	191,730
Unrealised fair value loss recognised in other comprehensive loss during the year	(17,430)	(840)
Balance, end of the year	173,460	190,890

The fair value of quoted securities is based on published market price and is categorised under Level 1 in the fair value hierarchy.

b) Details of investments in financial assets:

Equity Investments designated at FVTOCI- Listed Securities	Percentage ownership	2025	2024
		SR 000	SR 000
SHL Finance Company	10.5%	173,460	190,890

10. Trade Receivables And Others

	2025	2024
	SR 000	SR 000
Trade receivables – net of allowances for expected credit loss of SR 49.46 million (31 December 2024: SR 41.92 million)	2,808,551	3,908,254
Advance payments to purchase land	519,193	253,895
Prepayments and others	343,180	251,894
Due from a related party (note 24a)	10,040	63,182
Accrued revenue	39,772	26,251
Total	3,720,736	4,503,476

The fair value of financial assets included above approximates the carrying amount. No penalties or interests are charged for delayed payments by the customers.

a) Ageing of trade receivables

	2025	2024
	SR 000	SR 000
0-60 days	786,060	810,371
61-120 days	69,784	652,600
121-180 days	348,337	717,051
Above 180 days	1,604,370	1,728,232
Total	2,808,551	3,908,254

Ageing are from the date of invoice and the trade receivables include about 99% (31 December 2024: 99%) receivables against land and project sales which are fully secured against such land and project parcels.

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b) Expected Credit Loss ("ECL") evaluation of Account receivables

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has recognised expected credit loss in full against all receivables where the analysis has indicated that these receivables are generally not recoverable. The Group has not made any expected credit loss provisions against the receivables against the sale of land and projects and dues and lease receivables from government departments.

There has been no change in the expected credit loss methodology or significant assumptions during the current reporting year.

Movement in ECL

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	41,917	27,988
Charge for expected credit losses, net	7,542	11,713
Allowance related to the acquisition of a subsidiary	-	2,216
Balance, end of the year	49,459	41,917

11. CASH AND CASH EQUIVALENTS

	2025	2024
	SR 000	SR 000
Cash in hand	78	78
Cash with bank	7,480,344	6,724,594
Total	7,480,422	6,724,672

12. BORROWINGS

	2025	2024
	SR 000	SR 000
Islamic Sukuk	8,062,500	7,500,000
Islamic Murabaha	7,907,815	3,994,255
	15,970,315	11,494,255
Less: Un-amortised transaction costs (note 12 a)	(115,868)	(70,497)
Borrowings end of the year	15,854,447	11,423,758
Less: Borrowings - current portion	(2,876,826)	(3,337,932)
Borrowings - non-current portion	12,977,621	8,085,826

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**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

a) Repayable as follows:

	2025	2024
	SR 000	SR 000
Within one year	2,887,666	3,344,609
In the second year	3,419,687	2,125,307
In the third to fifth years inclusive	9,496,968	5,852,327
Above five years	165,994	172,012
Total	15,970,315	11,494,255

b) Islamic borrowings transaction costs:

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	70,497	82,895
Additions during the year	80,521	19,311
Amortisation charge for the year (note 20)	(35,150)	(31,709)
Balance, end of the year	115,868	70,497

c) Analysis of borrowings:

Islamic Sukuk

This represents SR 8.06 billion of Islamic Sukuk comprising:

1. SR 1.50 billion (USD 400 million) of Islamic Sukuk carried in the books of the Group, issued by Dar Al-Arkan Sukuk Company Ltd. at 6.88% and maturing in 2027.
2. SR 1.50 billion (USD 400 million) of Islamic Sukuk carried in the books of the Group, issued by Dar Al-Arkan Sukuk Company Ltd. at 7.75% and maturing in 2026.
3. SR 2.25 billion (USD 600 million) of Islamic Sukuk carried in the books of the Group, issued by Dar Al-Arkan Sukuk Company Ltd. at 8.00% and maturing in 2029.
4. SR 2.81 billion (USD 750 million) of Islamic Sukuk carried in the books of the Group, issued by Dar Al-Arkan Sukuk Company Ltd. at 7.25% and maturing in 2030.

Islamic Sukuks listed above are denominated in US dollars. Since the Saudi Arabian Riyal is exposed to limited fluctuations against the US Dollar, hence the Group is not exposed to significant foreign exchange risk. The investment profit is payable to Saudi SPVs, through which the Sukuk was issued, generated from the sale of properties that are owned by the Group. The beneficial rights of the related properties are with Dar Al Arkan Real Estate Development Company and its subsidiaries with the option to buy back upon the settlement of the Sukuk in full. The Group has issued a corporate guarantee to the Sukuk holders.

The Sukuk agreements include financial covenants, which the Group was in compliance with as at 31 December 2025 and 31 December 2024.

Islamic Murabaha

This represents the bilateral Murabaha facilities from local and international commercial banks in the form of Islamic Murabaha, letters of guarantee and letters of credit. These facilities comprise of short-term and long-term maturities ranging from 3 months to 10 years with periodic repayment as detailed below.

Summary of the Murabahas:

Maturity date	Outstanding Balance	Short-term	Long-term
	SR 000	SR 000	SR 000
2026	100	100	-
2027	180,000	-	180,000
2028	1,218,112	146,487	1,071,625
2029	2,568,585	971,930	1,596,655
2030	3,286,429	171,429	3,115,000
2031	483,900	80,650	403,250
2035	170,689	17,069	153,620
TOTAL	7,907,815	1,387,665	6,520,150

The weighted average effective annual commission rate for the year ended 31 December 2025 is 7.6% (31 December 2024: 7.9%).

The facility agreements include certain financial covenants, which the Group was in compliance with as at 31 December 2025 and 31 December 2024.

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13. End Of Service Indemnities

The Group provides a defined end of service benefit plan to its employees in line with the labour law provisions and requirement in the Kingdom of Saudi Arabia for respective entities under the Group. The payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of cessation of their employment, as defined by the conditions stated in the labour laws of the Kingdom of Saudi Arabia. Employees' end of service benefit plans are unfunded plans where the respective entities meet the benefit payment obligations as it falls due.

The movement of the obligation accrued based on Saudi Labor Law is as follows:

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	38,517	31,627
Charged to expenses during the year	6,612	4,108
Re-measurement loss/(gain)	1,340	(177)
Paid during the year	(4,634)	(2,167)
Related to acquisition of a subsidiary (Note 30)	-	5,236
Disposal of a subsidiary (Note 29)	-	(110)
Balance, end of the year	41,835	38,517

During the year the Group conducted an actuarial valuation and the relevant disclosures are as follows:

a) Significant actuarial assumptions:

	2025	2024
Discount rate	4.25%	5.35%
Long term salary increase rate	4.25%	5.35%
Employee attritions	Moderate	Moderate

b) Movement in present value of employee benefit obligation as per projected unit credit method is as follows:

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	34,384	28,983
Net period benefit cost	5,880	4,111
Re-measurement (gain) / loss	922	(177)
Paid during the year	(3,866)	(1,775)
Balance, end of the year	37,320	31,142

c) Analysis of present value of obligation

	2025	2024
	SR 000	SR 000
Benefit obligation accumulated to the date of financial position	36,800	30,860
Benefits attributed to future salary increase	520	282
Total	37,320	31,142

d) Sensitivity Analysis of obligation

The sensitivity of employee benefit obligation is calculated based on a change in an assumption while all other significant actuarial assumptions, used in the valuation of employee benefit obligation, remained unchanged. The vale impact in the obligation with a change in an assumption as follows:

	2025	2024
	SR 000	SR 000
Discount rate + 0.5%	36,578	30,730
Discount rate - 0.5%	38,128	31,564
Long term salary increase + 0.5%	37,427	31,358
Long term salary increase - 0.5%	37,270	30,928

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e) Effect of defined benefit plan on entity's future cash flows

The weighted average duration of the employee benefit obligation is 2.33 years for the year ended 31 December 2025 (31 December 2024: 2.68 years). The expected maturity analysis of discounted defined benefit obligation is as follows:

	2025	2024
	SR 000	SR 000
Within one year	8,023	4,612
In the second year	21,665	11,921
Between third and fifth years	7,632	14,609
Total	37,320	31,142

14. Trade Payables And Others

	2025	2024
	SR 000	SR 000
Accruals and others	1,346,193	466,641
Contract liabilities (note 14a)	998,859	2,667,911
Trade payables	313,192	254,230
Unearned revenue	194,232	457,714
Due to a related party (note 24b)	189,503	188,675
Lease liability (note 23b)	10,053	18,253
Dividend payable	8,234	8,292
Total	3,060,266	4,061,716

The fair value of financial liabilities included above approximates the carrying amount.

a) Contract liabilities

Contract liabilities represent the unrecognised portion of invoices issued towards a duly enforceable customer contracts for sale of properties against which the agreed performance obligations are not fully satisfied.

	2025	2024
	SR 000	SR 000
Balance, beginning of the year	2,667,911	1,100,404
Invoices issued/cancelled during the year	121,593	1,687,767
Transfer to revenue during the year	(1,790,645)	(120,260)
Balance, end of the year	998,859	2,667,911

15. Zakat Provisions

a) Movement in provision for Zakat:

Zakat is recognized and provided for in the consolidated financial statements and the related movement is as follows:

	2025	2024
	SR 000	SR 000
Balance beginning of the year	315,517	308,789
Charge for the year	220,341	20,595
Paid during the year	(112,531)	(16,022)
Acquisition of a subsidiary (note 30)	-	2,155
Estimated Zakat provision, end of the year	423,327	315,517

b) The zakat liability of the Company and its subsidiaries is calculated on a consolidated basis as part of the consolidated zakat return. The Company has received the assessments from ZATCA for the years 2003 to 2014 which have been finalised. Consolidated zakat returns for all remaining years until 2024 have been filed with ZATCA. The consolidated return for the year 2025 is under preparation.

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16. Share Capital

	2025	2024
Authorised	SR 000	SR 000
1,080,000,000 ordinary shares of SR 10 each	10,800,000	10,800,000
Issued and fully paid shares of SR 10 each:		
At the start of the year	10,800,000	10,800,000
At the end of the year	10,800,000	10,800,000

The Company has one class of ordinary shares.

17. Revenue

The Group derives its major revenue from development properties through contracts with customers for the transfer of properties at a point in time and over time. The below revenue details are consistent with the revenue information that is disclosed for each reportable segment (see note 4).

Disaggregation Of Revenue	Basis of Recognition	2025	2024
		SR 000	SR 000
Sale of development properties	- At a point in time	1,642,533	3,101,919
Sale of development properties	- Over the time	1,469,591	34,218
Sale of residential properties	- Over the time	331,109	120,260
Sale of residential properties	- At a point in time	20,225	193,453
Leasing of properties	- Straight-line basis	149,366	143,286
Project management and construction	- Over the time	277,867	158,065
Others	- At a point in time	9,111	7,821
Total		3,899,802	3,759,022

18. Cost Of Revenue

	2025	2024
	SR 000	SR 000
Development properties	1,554,021	1,807,979
Residential properties	239,554	200,686
Direct cost on leasing – depreciation (note 5)	33,412	33,658
Project management and construction	223,396	113,191
Others	5,810	3,500
Total	2,056,193	2,159,014

19. General And Administrative Expenses

	2025	2024
	SR 000	SR 000
General and administrative expenses	236,643	246,411
Depreciation (note 7 & 23a)	19,915	19,490
Total	256,558	265,901

20. Finance Costs

	2025	2024
	SR 000	SR 000
Finance charges on Sukuk	516,048	551,310
Finance charges on Islamic Murabaha	485,361	269,304
Finance charges on lease liability (note 23b)	920	1,583
Amortisation of transaction costs (note 12b)	35,150	31,709
Total	1,037,479	853,906

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For The Year Ended 31 December 2025 (Continued)**

21. Other Income, Net

	2025	2024
	SR 000	SR 000
Finance income	463,829	246,318
Other, net	3,658	18,501
Total	467,487	264,819

22. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

	2025	2024
	SR 000	SR 000
Net profit attributable to Dar Al Arkan shareholders arises from:		
Continuing operations	1,134,182	788,931
Discontinued operations	-	18,902
	1,134,182	807,833
Number of shares		
Weighted average number of ordinary shares		
For the purposes of earnings per share	1,080,000,000	1,080,000,000
Basic/diluted earnings per share from continuing operations	1.05	0.73
Basic/diluted earnings per share from discontinued operations	-	0.02
	1.05	0.75

There is no dilution of ordinary shares and as such the basic and diluted earnings per share calculation are consistent.

23. Lease Arrangements

A: GROUP AS LESSEE

a) Right-of-use assets

Below is the "right-of-use assets" for the lease arrangements entered and unexpired as at the reporting date. The details and movements for these assets are summarised as follows, and the depreciation charged to this asset is included in depreciation expenses.

	2025	2024
	SR 000	SR 000
COST		
At beginning of the year	37,751	42,316
Termination/retirements	(2,794)	(3,166)
Additions for the year	299	3,801
Disposal of a subsidiary (note 29)	-	(7,336)
Acquisition of a subsidiary (note 30a)	-	2,136
At end of the year	35,256	37,751
ACCUMULATED DEPRECIATION		
At beginning of the year	17,071	12,105
Charged during the year (note a)	8,531	10,856
Termination/retirements	(2,768)	(2,920)
Disposal of a subsidiary (note 29)	-	(2,970)
At end of the year	22,834	17,071
NET BOOK VALUE AT THE END OF THE YEAR	12,422	20,680

(Note a): During the year ended 31 December 2025, depreciation for the year amounting to SR 8,531 thousand is charged to general & administrative expenses (31 December 2024: SR 9,285 thousand & SR 1,571 thousand is charged to general & administrative expenses and discontinued operations respectively).

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The balance in right of use assets are included within the property and equipment on the consolidated statement of financial position.

b) Lease liabilities

Lease liabilities represent unexpired lease arrangements. Details of the movement of these lease liabilities is as below. The interest cost accrued is included in the finance costs.

	2025	2024
	SR 000	SR 000
LIABILITY		
At beginning of the year	41,350	45,267
Termination	(2,453)	(3,214)
Additions for the year	299	3,801
Finance cost for the year (note 20)	920	1,583
Acquisition of a subsidiary (note 30a)	-	1,715
Disposal of a subsidiary (note 29)	-	(7,802)
At end of the year	40,116	41,350
PAYMENTS		
At beginning of the year	23,097	18,003
Termination	(2,433)	(3,214)
Paid during the year	9,399	11,592
Disposal of a subsidiary (note 29)	-	(3,284)
At end of the year	30,063	23,097
BALANCE AT THE END OF THE YEAR	10,053	18,253

The balance in lease liability is included within Trade payables and others in the consolidated statement of financial position.

c) Minimum lease payments

The minimum lease payments undiscounted under non-cancellable lease rentals are as follows:

	2025	2024
	SR 000	SR 000
AMOUNTS DUE:		
Within one year	6,053	9,437
Between one and five years	4,863	10,668
Total	10,916	20,105

B: GROUP AS LESSOR

The Group has investment properties (refer note 5) consists of residential and commercial real estate properties that are retained in its master planned community with an intention to generate consistent recurring income. These properties are leased, both on short term and long term operating lease arrangements to various customers, including corporates, government and individuals for their residential and commercial requirements. For the relevant reporting period, the details of income generated and the direct cost of leasing is detailed in reporting segments note (refer note 4).

The minimum gross lease receivables under non-cancellable lease rentals are as follows:

	2025	2024
	SR 000	SR 000
Within one year	139,930	138,434
Between one and five years	285,800	237,070
After five years	74,207	87,074
Total	499,937	462,578

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

24. Related Party Transactions

During the normal course of its operations, the Group had the following significant transactions with related parties during the year ended 31 December 2025 and 2024 along with their balances.

			2025	2024
RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTIONS	SR 000	SR 000
		Finance income	92,513	9,660
Dar Global PLC	Associate	Financial support	-	53,522
		Loan to a related party	308,948	799,082
Dar DG Global Properties L.L.C	Affiliate	Revenue	38,087	-
Dar Al Arkan Global Holdings Real Estate Company	Affiliate	Revenue	178,745	-
		Project management expense	(48,300)	-
		Commission & marketing expense	(1,070)	-
Wasalt Real Estate Services Company	Affiliate	Commission expense	(1,194)	-
		Services received	(606)	-
		Lease revenue	1,612	-
Khozam Real Estate Development Company	Associate	Management fee charged	960	960
SHL Finance Company	Affiliate	Sales to third party Customer (Note e)	2,287	2,173

a) Due from related parties

	2025	2024
Balance related to trade receivables:	SR 000	SR 000
Dar Al Arkan Global Holdings Real Estate Company	70,998	-
Wasalt Real Estate Services Company	601	-
Balance related to other receivables:		
Dar Global PLC - (i)	10,040	63,182

i) The Group has transferred amount to finance the operations of Dar Global PLC, an associate company:

b) Due to a related party

i) Khozam Real Estate Development Company (KDC) is a jointly controlled entity (note 8). KDC management has invested excess cash balance of KDC with the Group at a nominal profit rate. The balance is classified under trade payables and others (note 14) and repayable on demand. The balance payable at the year end is as follows:

	2025	2024
	SR 000	SR 000
Khozam Real Estate Development Company	189,503	188,675

ii) Balance related to trade payables:

	2025	2024
	SR 000	SR 000
Dar Al Arkan Global Holdings Real Estate Company	3,450	-

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

c) Loan to a related party

The Group has extended a loan to Dar Global PLC, an associate company. The loan is interest bearing at arm's length commercial terms and will be settled over the period of three years.

	2025	2024
	SR 000	SR 000
Balance, end of the year	1,108,030	799,082

d) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year are as follows:

	2025	2024
	SR 000	SR 000
Short-term benefits	11,802	10,121
End-of-service benefits	867	796
Remunerations and attendance fees to Board of Directors and Executive Committee	3,285	2,085
Total	15,954	13,002

(e) SHL Finance Company:

During the year, the Group sold residential homes to individuals who sought financing from SHL. In these instances, SHL pays the consideration in respect of the residential property sale to the Group on behalf of the individual buyer of the property. There is no recourse to the Group if buyer of the property defaults against financing obtained from SHL.

25. Retirement Benefit Plans

The Group makes payments to defined contribution retirement benefit plans in the form of contribution to the General Organisation of Social Insurance that are charged as an expense as they fall due. Payments are made on the basis of a percentage of qualifying salary for certain employees to this state-managed scheme.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 was SR 6.6 million (31 December 2024: SR 4.1 million), and the outstanding contribution as at 31 December 2025 is SR 121 thousand (31 December 2024: SR 123 thousand).

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

26. Capital Management

The executive committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to its shareholders through optimisation of debt and equity balances. The Group's overall strategy remains unchanged from 2007, when the Group diversified its sources of funding and issued two medium term Sukuks ranging from 3-5 years. Considering the track record of timely repayment of the first two Sukuk and the group expertise developed over the past five years to access international markets for shariah' compliant funding, the management continue to maintain its relationship with the financial institutions and monitor the markets for future issuance. The Group adhere to international best practices in corporate governance and consider the capital market transactions to create additional shareholders value.

The capital structure of the Group consists of net debt (borrowings adjusted with cash and cash equivalents) and equity (comprising share capital, statutory reserve, and retained earnings). The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The Group consistently monitors its gearing ratio, to ensure compliance with external covenant requirements.

The gearing ratio at end of the reporting year was as follows:

	2025	2024
	SR 000	SR 000
Islamic borrowings	15,854,447	11,423,758
Cash and cash equivalents	(7,480,422)	(6,724,672)
	8,374,025	4,699,086
Shareholders' equity	22,233,086	21,100,714
Net debt to equity ratio	38%	22%

27. Financial Risk Management

The Group's principal financial liabilities are mainly comprised of Islamic Murabaha (term and annual revolving) facilities taken from banks, issue of Islamic Sukuk, lease liabilities, due to related party, trade payable and other payables to contractors and suppliers. The paramount objectives of these financial instruments are to raise the funding base for various projects as well as for the working capital requirement of the Group.

The Group also has financial assets in the form of bank deposits, cash in hand, due from related parties and trade and other receivables, which are integral and directly derived out of its regular business. On the reporting date the Group has not entered into any non-Islamic financial variable instrument contracts by way of currency hedging, commission rate swap agreements or similar instruments.

The Group's financial operations are subject to the following risks:

1. Credit Risk
2. Commission Rate Risk
3. Liquidity Risk
4. Foreign Currency Risk
5. Price Risk

Credit Risk

The Credit Risk can be defined as a loss of value of an asset as a result of a failure by a customer or a counter party to such commercially valid and legally enforceable contract to comply with its obligations.

The general sales policy of the Group is "No Credit" terms, but in some cases there are enhanced payment schedules or staggered payment request by selected customers which have been accommodated. In such cases the Group has an exposure of credit risk with respect to the amount due from those customers. However, in such cases the Group holds back the final delivery or possession of the property to mitigate the risk until the full amount due is paid to the satisfaction of the contract. The monitoring and follow up of balances is completed regularly and as a result the Group's exposure to losses is limited.

With respect to the credit risk exposure of other financial assets, namely, due from a related party, loan to a related party, bank deposits and trade and other receivables, the maximum credit risk of the Group is limited to their carrying values, in case there is a failure of the other party to meet its obligation.

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

Credit Risk (continued)

The summary of financial assets subject to credit risk is detailed below:

	2025	2024
	SR 000	SR 000
Cash with bank	7,480,344	6,724,594
Trade receivable, net	2,808,551	3,908,254
Loan to a related party	1,108,030	799,082
Due from a related party	10,040	63,182
Total	11,406,965	11,495,112

As of the reporting date, the Group does not have significant credit risk concentration with any single party or a group.

Commission Rate Risk

Commission Rate Risk is associated with a change in the commission rate available when renegotiating financial instruments that are influenced by the current global financial market conditions. The Group is exposed to commission rate risk with respect to its floating commission rate agreed for its Islamic Murabaha (revolving credit) facilities obtained from local banks.

The short-term revolving borrowings' rates are renegotiated at every renewal proposal to achieve the best possible commission rate to reflect the given financial credentials and related risk perception of the Group.

The Group's local borrowings are based on SAIBOR. Hence the commission rate exposure of the Group is variable according to the changes in the SAIBOR.

The commission rate sensitivity analysis is performed based on the commission rate exposure of the Group for floating rate liabilities outstanding at the reporting date. The calculations are done on floating commission rates assuming the liabilities outstanding for a whole year as at the reporting date.

During the year, the average rate of 3 months SAIBOR varied between 4.78% and 5.76% (5.37% and 5.80% for 2024).

The sensitivity of commission rate variance on the Group's external borrowings which affects the consolidated financial statements of the Group is shown below:

	2025	2024
	SR 000	SR 000
+ 25 basis points	19,770	9,986
- 25 basis points	(19,770)	(9,986)

The net profit of the Group for the reported year would have been affected by the above amount as a result of such changes in floating commission rates. If there is any capitalisation of borrowing costs directly attributed to projects in progress, there would be timing differences on such an impact to the Group's current profit and loss account and the current impact would be nil as there were no capitalisation for the current year as explained in note 2.9.

Liquidity Risk

Liquidity Risk can result from a difficulty to meet the financial commitments and obligations of the Group as per the agreed terms and covenants.

To mitigate the liquidity risk and associated losses of business and brand value opportunities; the Group, where possible, keeps sufficient liquid assets in all business conditions. The Group refrains from funding its long term capital requirements through short term borrowings and related party current account transactions. Currently the long term projects are funded from long term or revolving borrowings only. The Group also has a dynamic cash flow assessment policy and system by which it can estimate and plan the maturities as well as required resources to meet such obligations.

The total weighted average effective annual commission rate for the year ended 31 December 2025 is 7.6% (31 December 2024: 7.9%).

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

The maturity profile of financial liabilities of the group with undiscounted gross cash flows for the remaining contractual maturities for both principal and interest, wherever applicable, as at 31 December 2025 and 31 December 2024 are as follows:

31 December 2025	Within 3 Months	3 months to 1 year	One year to 2 years	3 year to 5 years	Above 5 years	No Fixed Maturity	Total
FINANCIAL LIABILITIES	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000
Islamic borrowings	2,187,441	1,880,452	4,295,227	10,808,130	185,494	-	19,356,744
Trade payables and others	211,168	1,544,538	204,928	2,402	54,638	1,043,454	3,061,128
TOTAL	2,398,609	3,424,990	4,500,155	10,810,532	240,132	1,043,454	22,417,872

31 December 2024	Within 3 Months	3 months to 1 year	One year to 2 years	3 year to 5 years	Above 5 yearst	No Fixed Maturity	Total
FINANCIAL LIABILITIES	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000	SR 000
Islamic borrowings	2,821,298	1,199,223	2,733,719	6,527,058	182,412	-	13,463,710
Trade payables and others	90,717	3,255,774	471,917	4,757	51,097	189,307	4,063,569
TOTAL	2,912,015	4,454,997	3,205,636	6,531,815	233,509	189,307	17,527,279

Foreign Currency Risk

Foreign Currency Risk is associated with the change in the value of the carrying value in the functional currency due to the variation of the underlying foreign currency obligation or right by way of transaction or translation reasons. The functional currency of the Group is the Saudi Riyal that is pegged against the US Dollar with a fixed exchange rate of 3.75 Saudi Riyals per US Dollar. Since transactions, other than US Dollars, are negligible; the Group does not assume any significant foreign currency risk.

Price Risk

Price Risk is associated to the fair value or future cash flows of a financial assets/securities that will fluctuate because of changes in market prices. It primarily stems from financial asset at fair value through other comprehensive income. The Group has limited exposure to price risk with such risk arising from investments in securities carried at fair value. However, the position in investments in securities, considering current and expected future economic trends, is regularly reviewed.

28. Commitments And Contingencies

To complete the long term construction and development of investment and development properties, the Group have committed to a number of contractual arrangements and agreements. The estimated uncompleted contracts outstanding as at 31 December 2025 amounts to SR 93 million (31 December 2024: SR 91 million) and performance commitment through a bank guarantee for SR 99 million against receivable collected (31 December 2024: SR 81 million).

These commitments are expected to be settled within the duration of the projects in progress and shall be funded through prospective property sales and external borrowings, if necessary.

Subsequent to the balance sheet date, as announced on 12 February 2026, the Group has received white land tax invoices amounting to SAR 201.2 million, relating to three land zones within the Shams Al Riyadh project. These zones are fully sold to customers through notarized contracts under a WAFI approved development program. Accordingly, the Group has submitted a detailed explanation, together with supporting documentation, to the relevant authority requesting exclusion and an extension to complete the project.

During the normal course of business there are general litigations and legal claims. Management takes legal advice as to the likelihood of success of claims and no provision is made when the action is unlikely to succeed.

At 31 December 2025, there were no significant claims notified (31 December 2024: None).

29. DISPOSAL OF A SUBSIDIARY

During the prior year, on 14 October 2024, the Group has disposed of its all shares in Dar Al Arkan for Real Estate Development LLC, a beneficially wholly owned subsidiary of the Group established under the laws of the state Qatar, under the Commercial Registration No. 165584, 14/7/1443 H (corresponding to 15/02/2022 G).

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)

(a) The carrying amounts of assets and liabilities at the date of sale were:

	NOTE	14 OCTOBER 2024
		SR 000
Assets		
Development properties	6	222,759
Property and equipment, net	7	5,408
Right of use of assets, net	23 a	4,366
Prepayments and others		15,461
Cash and cash equivalents (Note c)		35,484
Total assets		283,478
Liabilities		
Trade payables and others		303,945
Lease liabilities	23 b	4,518
End of service indemnities	13	110
Total liabilities		308,573
Net liabilities		(25,095)

(b) The results of Dar Al Arkan for Real Estate Development LLC for the period from 1 January 2024 till the date of disposal are as follows:

	FOR THE PERIOD ENDED 14 OCTOBER 2024
	SR 000
General and administrative expenses	(6,418)
Gain on disposal of a subsidiary (Note d)	25,320
Net profit attributable to discontinued operations	18,902

(c) The cash flow incurred by Dar Al Arkan for Real Estate Development LLC are, as follows:

	FOR THE PERIOD ENDED 14 OCTOBER 2024
	SR 000
Operating activities	188,956
Investing activities	(167,462)
Financing activities	391
Net cash inflows during the period	21,885
Cash and cash equivalents beginning of the period	13,599
Net cash flows disposed off	35,484

(d) Details of the disposal of a subsidiary

	14 OCTOBER 2024
	SR 000
Consideration	1,245
Adjusted against due from a related party	(1,020)
Total Consideration, net	225
Total net liabilities assumed by buyer on disposal	25,095
Gain on disposal	25,320

Dar Al Arkan Real Estate Development Company (Saudi Joint Stock Company)

**Notes To The Consolidated Financial Statements
For The Year Ended 31 December 2025 (Continued)**

30. ACQUISITION OF A SUBSIDIARY

During the prior year ended 31 December 2024, the Group had increased its ownership in Compass Project Investments SPV ("Compass") to 90% as follows:

a) The carrying amounts of assets and liabilities at the date of sale were: On 20 February 2024 (the "Acquisition date"), the Group signed a share purchase agreement to acquire additional equity interest of 32.65% in Compass Project Investments SPV ("Compass"); a private company limited by shares incorporated in United Arab Emirates under Abu Dhabi Global Market (ADGM) regulations. Accordingly, the Group's equity interest increased from 51% to 83.65%. The Group's investment in Compass was previously accounted for as investment in an associate under equity method (Note 8). During the year ended 31 December 2024, the Group has obtained control, consequently, has commenced consolidating Compass. Compass is established mainly for rendering technical support for project management, cost control, construction management and risk management. This acquisition was in line with the Group's strategy of diversification and explore new opportunities in MENA region.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Compass Project Investments SPV as at the Acquisition date were summarised below.

i) ASSETS & LIABILITIES	NOTE	FAIR VALUE RECOGNISED ON ACQUISITION
		SR 000
ASSETS		
Property and equipment, net	7	3,543
Right of use of assets, net	23 a	2,136
Investment in associate	8	29
Trade receivables and others		97,360
Cash and cash equivalents		20,759
Total assets		123,827
LIABILITIES		
Borrowings		4,000
End of service indemnities	13	5,236
Trade payables and others		66,523
Lease liabilities	23 b	1,715
Zakat Payable	15	2,155
Total liabilities		79,629

Total identifiable net assets at fair value	44,198
Non-controlling interest measured at fair value	(7,226)
Investments in associate transferred (Note iii)	(23,057)
Consideration transferred	(12,750)
Gain on acquisition	1,165

ii) ANALYSIS OF CASH FLOWS ON ACQUISITION

Net cash acquired with the subsidiary	20,759
Cash consideration	(12,750)
Net cash flow on acquisition	8,009

iii) FAIR VALUE LOSS ON REMEASURING THE PREVIOUSLY HELD EQUITY INTEREST

Carrying amount of investments in associate transferred	32,262
Fair value loss on remeasurement	(9,205)
Fair value of investments in associate transferred	23,057

b) Acquisition of additional interest in subsidiary

Subsequent to the above acquisition in 2024, the share capital of the Compass was increased by SR 37.4 million in which SR 25.19 million and SR 1.6 million were invested by the Group and the non-controlling shareholder respectively. Due to this additional investment in share capital of the Compass, the Group's ownership increased by 6.35%.

Due to no change in control, the additional acquisition of the Group's ownership interest in Compass was accounted for as an equity transaction. Consequently, the excess consideration paid over the carrying value of Compass's additional ownership interest acquired was recognized in retained earnings.

The carrying value of the net assets of Compass as of the acquisition date was SR 44.2 million. The details of additional interest acquired in Compass were:

	2024
	SR 000
Carrying value of the additional interest in Compass	2,806
Consideration for non-controlling partner	(1,080)
Difference recognized in retained earnings	1,726

31. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on 3 March 2026.

Appendices - ESG

Environment

Energy Consumption	2023	2024	2025
Diesel consumption from operations (generators – liters)	733,135	1,020,178	5,231
Petrol consumption from vehicles (liters)	4,102,528	316,131	297,526
Diesel consumption from vehicles (liters)	10,862,944	45,661	54,112
Electricity consumption from non-renewable sources (kWh)	1,541,652	1,525,920	1,485,261
Total amount of energy consumed (GJ)	593,455	57,446	17,814

GHG Emissions	2023	2024	2025
Direct GHG emissions (Scope 1) (tons of CO2eq)	40,454	3,580	854
Indirect GHG emissions (Scope 2) (tons of CO2eq)	848	839	817
Total GHG emissions (sum of Scope 1, Scope 2, Scope 3) (tons of CO2eq)	41,302	4,419	1,671

Waste	2023	2024	2025
Non-hazardous, solid waste generated (kg)	34,629	55,248	69,246
Hazardous, solid waste generated (kg)	717.30	0	0
Non-hazardous, solid waste disposed (kg)	33,912	55,248	69,246
Hazardous, solid waste disposed (kg)	717.30	0	0
Non-hazardous, solid waste recycled (kg)	7,155	10,046	7,080
Non-hazardous, solid waste reused (kg)	9,774	12,740	7,060

Water Consumption	2023	2024	2025
Withdrawal total municipal water supplies or other water utilities (K cubic meters)	832	996	1,505
Total net freshwater consumption (K cubic meters)	828	996	1,505

Social

Human Capital Composition	2023	2024	2025
Total number of employees	247	210	189
Number fulltime employees	247	210	189
Number of parttime employees	0	0	0
Number of temporary employees (brokers)	7	5	9
Number of senior management	11	10	12
Number of middle management	134	121	112
Number of staff	102	79	65

Health and Safety	2023	2024	2025
Work hours (employees)	163,400	515,535	1,615,480
Work hours (contractors)	427,076	1,637,388	5,700,778
Average hours of HSE training per employee	6.8	2.3	7.1
Total cost of training (USD)	14,500	2,000	6,600

New Hires and Turnover	2023	2024	2025
Total number of employees who joined the organization	97	77	58
Number of senior management who joined the organization	4	3	12
Number of middle management who joined the organization	88	54	13
Number of staff who joined the organization	5	20	33

Employee Satisfaction and Engagement	2023	2024	2025
Employee satisfaction (%)	100%	100%	100%
Employee engagement	7	8	8
Total number of missed workdays	371	157	118
Employee absentee rate	0.57%	0.51%	0.31%

APPENDIX A - PERFORMANCE DATA

Parental Leave	2023	2024	2025
Total number of employees that took parental leave	5	6	11
Number of female employees that took parental leave	2	1	3
Number of male employees that took parental leave	3	5	8
Number of female employees who returned to work after parental leave ended	1	1	3
Number of female employees returned from parental leave who were still employed twelve months after return to work	1	1	1
Return to work rate (%)	50.0%	100%	100%
Retention rate (%)	50.0%	100%	33.3%

Gender Composition	2023	2024	2025
Number of male fulltime employees	184	160	148
Number of female fulltime employees	63	50	41
Female employees in total workforce	25.5%	23.8%	21.7%
Female employees in senior management roles	6	5	6
Percentage of females in senior management roles	55.5%	50.0%	50.0%
Female employees in middle management roles	18	13	15
Percentage of females in middle management roles	13.4%	10.7%	13.4%
Female employees in staff roles	39	32	20
Percentage of females in staff roles	38.2%	40.5%	30.8%
Female employees who joined the organization	63	48	20
Percentage of female employees who joined the organization	64.9%	62.3%	34.5%
Female employees who left the organization	79	62	27
Percentage of female employees who left the organization	66.9%	54.4%	34.2%
Basic remuneration of women to men (ratio)	25.6%	23.1%	20.2%

APPENDIX A - PERFORMANCE DATA

Age Composition	2023	2024	2025
Number of employees between the age of 18-30	91	109	105
Number of employees between the age of 31-50	132	80	77
Number of employees above the age of 50	24	21	7
Number of employees who joined the organization between the age of 18-30	54	43	27
Percentage of employees who joined the organization between the age of 18-30	55.7%	55.8%	46.6%
Number of employees who joined the organization between the age of 31-50	42	33	30
Percentage of employees who joined the organization between the age of 31-50	43.3%	42.9%	51.7%
Number of employees who joined the organization above the age of 50	1	1	1
Percentage of employees who joined the organization above the age of 50	1.0%	1.3%	1.7%
Number of employees who left the organization between the age of 18-30	46	64	40
Percentage of employees who left the organization between the age of 18-30	40.0%	56.1%	50.6%
Number of employees who left the organization between the age of 31-50	68	50	38
Percentage of employees who left the organization between the age of 31-50	57.6%	43.9%	48.1%
Number of employees who left the organization above the age of 50	4	0	1
Percentage of employees who left the organization above the age of 50	3.4%	0.0%	1.3%

National Composition	2023	2024	2025
Number of national employees	119	90	82
Number of expat employees	128	120	107
Percentage of national employees in total workforce	48.2%	42.9%	43.4%
Number of female national employees	58	37	29
Percentage of female national employees compared to total workforce	23.5%	17.6%	15.3%
Percentage of female national employees compared to national workforce	48.7%	41.1%	35.4%
Number of male national employees	61	53	53
Percentage of male national employees compared to total workforce	24.7%	25.2%	28.0%
Percentage of male national employees compared to national workforce	51.3%	58.9%	64.6%

APPENDIX A - PERFORMANCE DATA

National Composition	2023	2024	2025
Number of national employees in senior management	6	5	7
Percentage of national employees in senior management	54.5%	50.0%	58.3%
Total number of nationalities	15	15	16

Grievance Mechanisms and Non-Discrimination	2023	2024	2025
Number of performance grievances filed in the reporting period	1	0	0
Number of these performance grievances addressed or resolved	1	0	0
Number of employee grievances filed in the reporting period	0	0	0
Number of these employee grievances addressed or resolved	0	0	0
Harassment cases	0	0	0
Incidents of discrimination	0	0	0

Governance

Board Composition	2023	2024	2025
Total number of board members	6	6	6
Number of independent board members	2	2	2
Number of non-independent board members	4	4	4
Number of executive members	2	2	2
Number of non-executive members	4	4	4
Number of board seats occupied by men	6	6	6
Number of board seats occupied by women	0	0	0

Local Procurement	2023	2024	2025
Total number of suppliers engaged	163	97	278
Number of local suppliers engaged	148	89	259
Number of SME suppliers engaged	104	41	54
Number of women-owned suppliers engaged	21	3	5
Total procurement spending (SAR)	195,692,979	96,318,545	546,146,539
Procurement spending on local suppliers (SAR)	186,784,642	88,863,668	384,049,362
Percentage of spending on local suppliers	95%	92%	70%

APPENDIX A - PERFORMANCE DATA

Supplier Code of Conduct	2023	2024	2025
Percentage of suppliers who signed the code of conduct	100%	100%	100%
Percentage of identified critical suppliers	26%	48%	74%
Supply Chain Management	2023	2024	2025
Percentage of suppliers assessed out of total Suppliers for Sustainability Risk Assessment	85%	88%	85%
Percentage of suppliers assessed as 'Sustainability High Risk Suppliers'	3%	6%	7%
Data Security	2023	2024	2025
Total number of data breaches	0	0	0
Number of data security breaches involving customers' personally identifiable information	0	0	0
Percentage of data security breaches involving customers' personally identifiable information	0%	0%	0%

Head Office

KSA

Wizarat, 12622,
Makkah Al
Mukarramah Branch
Road, Riyadh

Sale Centres

KSA

Riyadh
2135 Tahlia St., Al Olaya 12222
Riyadh

Riyadh
Al Qasr Mall, 12791, As Suwaidi
Al Am, 12791, Riyadh

Jeddah
Ash Shati, 23613,
King Abdulaziz Road, Jeddah

UAE

Dubai
30th Floor, Jumeirah Emirates
Towers, Sheikh Zayed Road,
Dubai, United Arab Emirate

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