

**Darb Saudi Investment Company**  
**(Previously Al-Baha Investment and Development Company)**  
**A Saudi Joint Stock Company**

**The Financial Statements and  
Independent Auditor's Report  
For The Year Ended December 31, 2025**

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**(Previously Al-Baha Investment and Development Company)**  
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## Independent Auditor's Report

To the Shareholders of Darb Saudi Investment Company  
(Previously Al-Baha Investment and Development Company)  
A Saudi joint stock company

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company)- A Saudi joint stock company ("The Company") which comprise the statement of financial position as of December 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and other explanatory notes to the financial statements including material accounting policy information.

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

#### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia as applicable to the audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of a Matter

We draw attention to notes (13 , 24) to the accompanying financial statements, which describes the legal case on the assets exchange with Al - Sata'ah Modern General Contracting Company. The Company has created a provision for expected losses that resulted from assets exchange contract with Al- Sata'ah Modern General Contracting Company for an amount of SR 26,136,823, where the Company's management believes that the assets that are supposed to be received in the barter transaction have low values and there is a significant impairment on them as a result of their obsolescence; accordingly a provision has been recognized against them for the amount of the performance obligations that the company is obliged to transfer to the other party. In addition, the previously issued court judgment obligating Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) to execute the terms of the contract with Al- Sata'ah Modern General Contracting Company was upheld. Our opinion is not qualified for this matter.

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**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

The following is a description of each of the key audit matters and how our audit addressed these matters:

<u>Carrying value of goodwill</u>	<u>How the matter was addressed in our audit</u>
<p>The carrying value of goodwill amounted approximately to SAR 22 million as of December 31, 2025 (2024: SAR 22 million), which arose as a result of acquisition of the cash-generating unit Ishraqa Regional Real Estate Development and Investment (branch of the company) during the year 2017.</p> <p>The management performed the annual impairment test on the carrying value for the goodwill as of December 31, 2025, by using assistance of an external independent business valuer licensed from the Saudi Authority for Accredited Valuers (Taqeem) to determine the recoverable value of goodwill as of that date, and then determine whether there is an impairment in the carrying value of the goodwill by comparing the carrying value of the cash generating unit and its recoverable value.</p> <p>According to the external valuer's report, the recoverable value was determined using the cost method and the adjusted nets asset technique.</p> <p>The adjusted net asset value technique depended mainly on the fair value of the investment property related to the cash-generating unit Ishraqa Regional Real Estate Development and Investment (branch of the company). The fair value of this property was calculated by using the assistance of external real estate valuer licensed from the Saudi Authority for Accredited valuers (Taqeem), in addition, the fixed assets were ignored due to the fact that they are immaterial.</p> <p>We considered this item to be a key audit matter due to the materiality of its value to the statement of financial position and the importance of the estimates and judgments included in the goodwill valuation, which depended mainly on the valuation of the investment property.</p> <p>For detailed information, please refer to note (8) in the financial statements about the goodwill, note (3) about material accounting policy information related to goodwill, and note (4) for significant accounting judgments and estimates.</p>	<p>We performed the following procedures in relation to the Company's assessment of goodwill impairment:</p> <ul style="list-style-type: none"> <li>- Evaluated the competency, independence and objectivity of the management's valuation expert.</li> <li>- Evaluated the appropriateness of the goodwill impairment model used by the Company by assessing the appropriateness of determining the recoverable value of goodwill based on the cost method and the adjusted net assets technique.</li> <li>- Engaged our business valuation expert to assess the reasonableness of the fair value calculation and assumptions used in the valuation.</li> <li>- Engaged our real estate valuation expert to verify the reasonableness of the fair value determined for the investment property related to the cash-generating unit which depended mainly on applying the adjusted net assets technique in calculating the fair value of the cash-generating unit, which included the following procedures: <ul style="list-style-type: none"> <li>• Review of the methodology applied by the valuer to ensure that the valuation method and technique is appropriate to determine the fair value of investment properties.</li> <li>• Review the reasonableness of key assumptions used by management.</li> </ul> </li> <li>- Verified sample of the valuation inputs used by valuer and compared them with accounting records.</li> <li>- Evaluated the adequacy of presentation, disclosures, and the appropriateness of accounting policies and disclosure of goodwill.</li> </ul>

<u>Impairment of investment properties</u>	<u>How the matter was addressed in our audit</u>
<p>The company owns investment properties consisting of lands and building built on it, which are held to earn rental income. The investment properties amounted approximately to SAR 231 million as of December 31, 2025 (2024: SAR 234 million) and represent material balances in the statement of financial position as of that date.</p> <p>We considered this item to be a key audit matter due to its materiality to the statement of financial position and the significance of the estimates, assumptions and judgments included in the valuation.</p> <p>The investment properties were recognized in the statement of financial position at carrying value, which represents the cost minus accumulated depreciation and accumulated impairment losses. The carrying value is reviewed annually by the company's management to assess if there are indications of impairment through comparing the carrying value with the recoverable value.</p> <p>The company has engaged independent external valuer licensed by the Saudi Authority for Accredited Valuers (Taqeem) who is conducting the valuation in accordance with International Valuation Standards to assist management in determining the recoverable value. The valuation involves the application of recognized methods and techniques that rely on significant judgments and estimates such as the reasonableness of the comparisons used, capitalization rate, and valuation inputs in general.</p> <p>The objective of valuating the investment properties is to determine the recoverable value and the impairment (if any), and disclosure of the fair value in the company's financial statements. This matter is considered subjective in nature due to, among other factors, the individual nature of each property, location of the property, and the most appropriate valuation method for each of them.</p> <p>For detailed information, please refer to note (11) in the financial statements about the investment properties, note (3) about material accounting policy information related to investment properties, and note (4) for significant accounting judgments and estimates.</p>	<p>We performed the following procedures in relation to the Company's impairment assessment of investment properties:</p> <ul style="list-style-type: none"><li>- Evaluated the competency, independence and objectivity of the management's valuation experts.</li><li>- Engaged our real estate valuation expert as the following procedures were performed:<ul style="list-style-type: none"><li>• Review of the methodology applied by the Company's valuers to ensure the applied valuation method and technique is appropriate for determining the fair value of investment properties.</li><li>• Review the reasonableness of key assumptions and estimates related to the valuation.</li></ul></li><li>- Verified sample of the valuation inputs used by valuer and compared them with accounting records.</li><li>- Compared the fair value based on real estate valuers' reports with the carrying value of investment properties to determine whether or not there is an impairment, or whether the accumulated impairment is subject to reversal.</li><li>- Evaluated the adequacy of presentation, disclosures, and the appropriateness of accounting policies and disclosure of investment properties.</li></ul>

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Independent Auditor's Report to the Shareholders of Darb Saudi Investment Company (previously Al-Baha Investment and Development Company) (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year 2025, but does not include the financial statements and the auditor's report thereon. The annual report is expected to be made available to us after the date of this report. Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, upon reading the Company's annual report for the year 2025, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia and other pronouncements and standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and Companies' Regulation and Company's By-law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Talal Abu-Ghazaleh & Co.

Waleed Ahmed Bamarouf

Certified Public Accountant - License No. 408

Sha'aban 13, 1447(H) corresponding to February 1, 2026(G)

