

التاريخ: 2025/11/06

السادة بورصة فلسطين المحترمين،

الموضوع: الإفصاح عن القوائم المالية المرحلية الموحدة المختصرة (الغير مدققة) للربع الثالث من العام 2025
لشركة أركان العقارية ش.م.ع ("الشركة")

تحية طيبة وبعد،

بالإشارة إلى الموضوع أعلاه، مرفق إلى حضرتكم الملفات التالية:

1. البيانات المالية المرحلية الموحدة المختصرة للربع الثالث من العام 2025.
2. البيانات المطلوبة في المادة 2/37 من نظام الإفصاح.
3. الإيضاحات الضرورية.

وتفضلوا بقبول فائق الاحترام والتقدير،،،

محمد البرغوثي

رئيس الإدارة المالية

محمد البرغوثي

نسخة: السادة هيئة سوق رأس المال الفلسطينية المحترمين.



شركة أركان العقارية ش.م.ع

Arkaan Real Estate P.L.C



2025/11/06

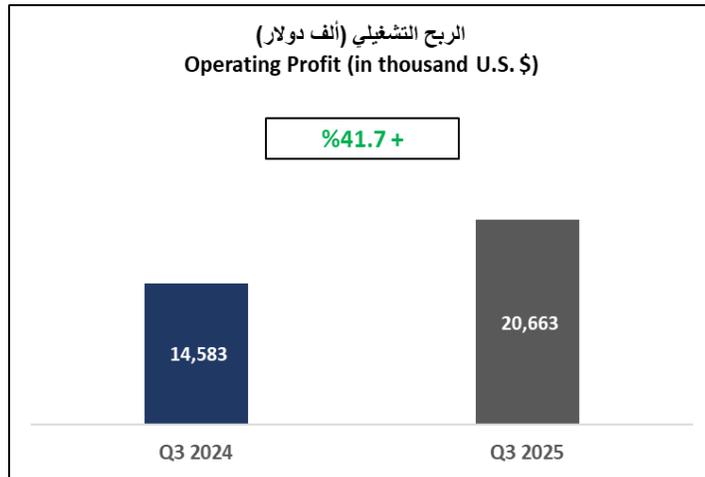
ملخص أداء الشركة والبيانات المالية المرحلية الموحدة المختصرة
للقرب الثالث من العام 2025

Financial Disclosure
Q3 2025

Consolidated performance

The net profit attributable to the shareholders of ARKAAN amounted to U.S. \$ 14.9 million in Q3 2025 compared with U.S. \$ 7.4 million for the same period of last year, reporting an increase by %102 due to the growth from ARKAAN's financial investment portfolio. The earnings per share amounted to U.S. \$ 0.113 compared to U.S. \$ 0.056 for the same period of year 2024.

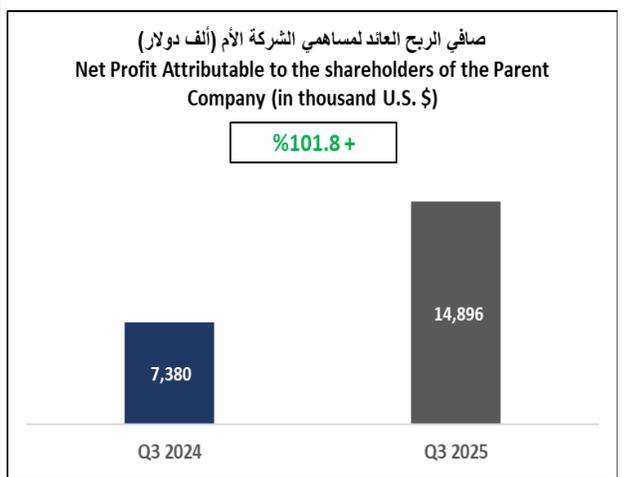
The operating profit for Q3 2025 amounted to U.S. \$ 20.7 million compared to U.S. \$ 14.6 million for the same period of last year, thus recording an increase by %42.



ملخص أداء أركان

بلغ الربح العائد إلى مساهمي الشركة للربع الثالث من العام 2025 ما مقداره 14.9 مليون دولار مقارنة بـ 7.4 للربع الثالث من العام 2024، بنسبة زيادة بلغت %102، ويرجع ذلك بشكل رئيسي لنمو أرباح المحفظة الاستثمارية للشركة. وبلغ نصيب السهم من الأرباح 0.113 دولار مقارنة بـ 0.056 دولار خلال الربع الثالث من العام 2024.

على مستوى الربح التشغيلي، بلغ الربح التشغيلي للربع الثالث من العام 2025 ما قيمته 20.7 مليون دولار مقارنة بـ 14.6 مليون دولار للربع الثالث من العام 2024، مسجلاً بذلك ارتفاعاً بنسبة %42.



As for investment activities, profits from this segment amounted to U.S. \$ 22.2 million for Q3 2025 compared to U.S. \$ 10.2 million for the same period of last year.

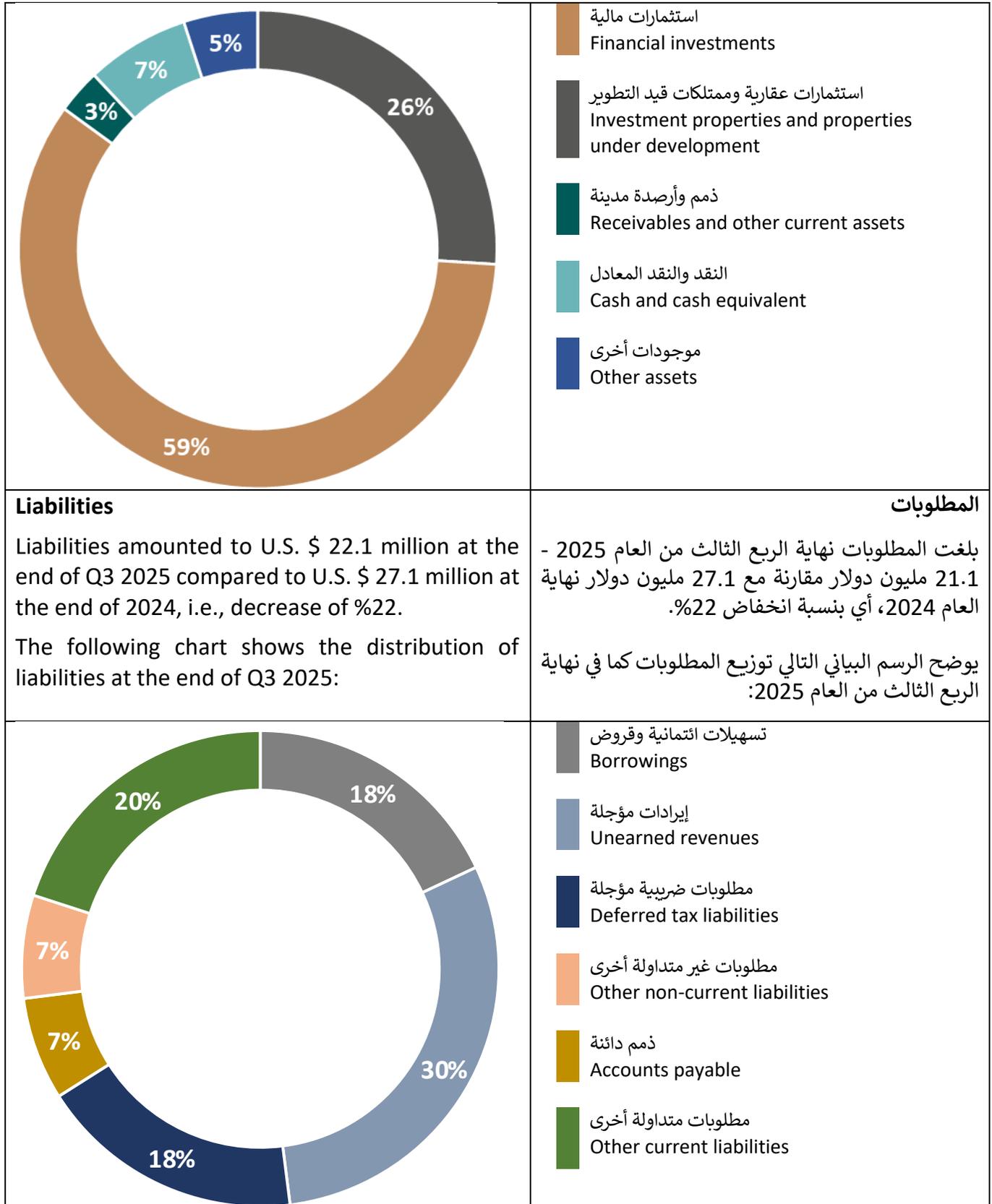
على صعيد الأرباح من الأنشطة الاستثمارية، فقد بلغت هذه الأرباح للربع الثالث من العام 2025 ما قيمته 22.2 مليون دولار مقارنة مع ما قيمته 10.2 مليون دولار كما في نهاية الربع الثالث للعام 2024.

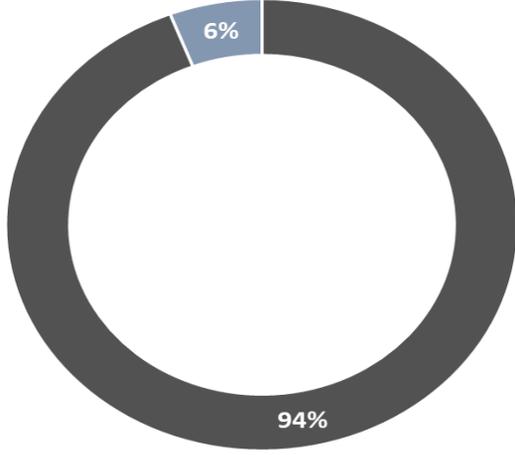
Assets

Total assets at the end of Q3 2025 amounted to U.S. \$ 524.9 million and were distributed amongst the following groups as shown in the diagram:

الموجودات

مع نهاية الربع الثالث من العام 2025، بلغ مجموع موجودات أركان ما مقداره 524.9 مليون دولار موزعة بحسب البنود الموضحة في الرسم البياني التالي:



Equity	حقوق الملكية
<p>Equity amounted to U.S. \$ 503.7 million at the end of Q3 2025 compared to U.S. \$ 423.3 million at the end of 2024.</p> <p>The following chart shows the distribution of equity at the end of Q3 2025:</p>	<p>بلغت حقوق الملكية 503.7 مليون دولار نهاية الربع الثالث من العام 2025 مقارنة مع 423.3 مليون دولار نهاية العام 2024.</p> <p>يوضح الرسم البياني التالي توزيع حقوق الملكية كما في نهاية الربع الثالث من العام 2025:</p>
	<p>■ حق ملكية الأسهم لمساهمي الشركة الأم Equity attributable to equity holders of the parent</p> <p>■ حقوق ملكية جهات غير مسيطرة Non-controlling interests</p>

Other information

بيانات أخرى

Members of the Board of Directors

أولاً: أعضاء مجلس الإدارة

<p>Mr. Reyad Nazzal Chairman - GMS Ventures and Investments Holdings</p>	<p>1. السيد رياض نزال رئيس مجلس الإدارة - شركة جي ام اس فينشرز اند انفستمننتس القابضة</p>
<p>Mrs. Reem Alsheikh Vice Chairman - Massar International</p>	<p>2. السيدة ريم الشيخ نائب رئيس مجلس الإدارة - شركة مسار العالمية للاستثمار م. خ</p>
<p>Mr. Abdul Majeed Melhem Siraj Fund Management Company</p>	<p>3. السيد عبد المجيد ملحم شركة سراج لإدارة صناديق الاستثمار</p>
<p>Mr. Salah Hidmi Palestine Development and Investment Co. Ltd (PADICO)</p>	<p>4. السيد صلاح هدي شركة فلسطين للتنمية والاستثمار المحدودة (باديكو)</p>
<p>Mr. Seif Al Deen Sadeddin Al Maseera International Co.</p>	<p>5. السيد سيف الدين سعد الدين شركة المسيرة الدولية ش. م. ب. م</p>
<p>Mr. Jamal Barahmeh Aswaq Portfolio Investments Co. (Palestine Investment Fund)</p>	<p>6. السيد جمال براهمه شركة أسواق للمحافظ الاستثمارية (صندوق الاستثمار الفلسطيني)</p>
<p>Mrs. Amal Moughrabi Palestine Development and Investment Co. Ltd (PADICO)</p>	<p>7. السيدة أمل مغربي شركة فلسطين للتنمية والاستثمار المحدودة (باديكو)</p>
<p>Mr. Ahmed Tina Palestine Development and Investment Co. Ltd (PADICO)</p>	<p>8. السيد أحمد طينه شركة فلسطين للتنمية والاستثمار المحدودة (باديكو)</p>
<p>Mr. Ibrahim Al Natour Independent board member</p>	<p>9. السيد إبراهيم الناطور عضو مستقل</p>

* On 24/09/2025, Palestine Development and Investment Company (PADICO) named Mr. Ahmad Nabeel Mohammad Tina as a representative for PADICO on ARKAAN Board of Directors.

* اعتباراً من تاريخ 2025/09/24، تم تسمية السيد أحمد نبيل محمد طينه ممثلاً عن شركة فلسطين للتنمية والاستثمار المحدودة (باديكو) مجلس إدارة شركة أركان العقارية.

Executive Management

ثانياً: الإدارة التنفيذية

Mr. Mohammad Barghouthi
Chief Financial Officer

1. السيد محمد البرغوثي
رئيس الإدارة المالية

External auditor

Ernst & Young.

ثالثاً: مدققي الحسابات

شركة ارنست ويونغ.

Paid up capital

1. Outstanding shares = 131,625,000
2. Par value per share = U.S. \$ 1.00

1. عدد الأسهم المكتتب بها = 131,625,000
2. القيمة الإسمية للسهم = 1.00 دولار أمريكي

رابعاً: رأس المال المكتتب

Legal procedures and issues

There are no issues or significant lawsuits held against ARKAAN or held by ARKAAN against others which could affect the ARKAAN's operations or the trading price of its stock.

لا يوجد أية قضايا أو إجراءات قانونية جوهريّة على أركان أو لأركان على الغير والتي من الممكن أن تؤثر على أعمال أركان أو سعر تداول السهم.

خامساً: الاجراءات القانونية

Note:

Except for what was disclosed in the financial statements, no significant change or event occurred during Q3 2025 and until the date of disclosure of the financial statements other than what was disclosed in the financial statements that would influence ARKAAN's business or the trading price of its stock.

باستثناء ما تم الإفصاح عنه في البيانات المالية وهذا التقرير، لم يطرأ أي تغيير أو حدث مهم خلال الربع الثالث من العام 2025 وحتى تاريخ الإفصاح عن البيانات المالية غير ما تم الإفصاح عنه والذي من شأنه أن يؤثر على أعمال أركان أو سعر تداول السهم.

ملاحظة:

Arkaan Real Estate P.L.C

Unaudited Interim Condensed Consolidated Financial
Statements

September 30, 2025

**Report on review of interim condensed Consolidated financial information
To the chairman and board of directors of Arkaan Real Estate P.L.C**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Arkaan Real Estate P.L.C and its subsidiaries (ARKAAN) as at September 30, 2025, which comprise the interim condensed consolidated statement of financial position as at September 30, 2025 and interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income for the three-months and nine-months periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-months period then ended and notes to the interim condensed consolidated statement. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

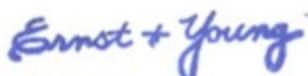
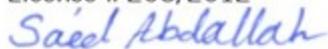
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS 34) "Interim financial reporting".

Emphasis of matter- War on the Gaza Strip

We draw attention to Note (23) to the accompanying interim condensed consolidated financial statements, which relates to the war on the Gaza Strip and the management's decision to fully provide for its exposures in the Gaza Strip. This matter does not modify the conclusion on the interim condensed consolidated financial statements.

Ernst & Young - Middle East

License # 206/2012



Sa'ed Abdallah

License # 105/2003

November 6, 2025
Ramallah - Palestine

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2025

		September 30, 2025	December 31, 2024
		Unaudited	Audited
	Note	U.S. \$ (000's)	U.S. \$ (000's)
Assets			
Non-current assets			
Property, plant, and equipment		299	487
Investment properties	4	37,676	42,013
Properties under development	5	86,635	68,703
Financial assets at fair value through other comprehensive income	7	278,430	212,228
Other non-current assets	8	21,257	20,312
		<u>424,297</u>	<u>343,743</u>
Current assets			
Land held for sale	6	7,811	6,549
Short-term accounts receivable	9	12,983	24,510
Other current assets	10	12,436	20,537
Financial assets at amortized cost	11	-	9,694
Financial assets at fair value through profit or loss	7	29,668	22,879
Cash and deposits at banks	12	37,692	22,544
		<u>100,590</u>	<u>106,713</u>
Total assets		<u>524,887</u>	<u>450,456</u>
Equity and liabilities			
Equity			
Paid-in share capital	1	131,625	131,625
Share premium	1	253,461	253,461
Statutory reserve	13	726	726
Fair value reserve	7	83,723	22,242
Retained earnings (accumulated losses)		6,192	(8,704)
Equity attributable to equity holders of the parent		<u>475,727</u>	<u>399,350</u>
Non-controlling interests		28,020	23,983
Total equity		<u>503,747</u>	<u>423,333</u>
Non-current liabilities			
long-term loans		357	1,341
Long-term unearned revenues	14	6,265	10,308
Deferred tax liabilities	15	3,822	3,761
Provision for employees' indemnity		430	350
Other non-current liabilities		978	1,065
		<u>11,852</u>	<u>16,825</u>
Current liabilities			
Accounts payable		1,529	1,982
Credit facilities and short-term loans		3,371	4,222
Provision for income tax	16	278	-
Other current liabilities		4,110	4,094
		<u>9,288</u>	<u>10,298</u>
Total liabilities		<u>21,140</u>	<u>27,123</u>
Total equity and liabilities		<u>524,887</u>	<u>450,456</u>

The attached notes from 1 to 23 are part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month and nine-month period ended September 30, 2025

	Note	For three months period ended September 30		For nine months period ended September 30	
		2025	2024	2025	2024
		Unaudited	Unaudited	Unaudited	Unaudited
		U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Revenues from sale of land and development rights		-	1,770	-	6,360
Cost of land and development rights sold		-	(662)	-	(3,014)
Sales returns, net	17	-	-	(1,656)	-
Gain from sale of investments proprieties		-	-	80	-
Net profits (losses) from real estate activities		-	1,108	(1,576)	3,346
Gains (losses) from valuation of financial assets at fair value through profit or loss	7	629	(500)	6,278	(2,042)
Dividends income from financial assets	7	-	68	15,859	12,330
Investment income from financial assets at amortized cost		-	-	98	-
Net Profit (loss) from investment activities		629	(432)	22,235	10,288
Interest revenues		912	1,085	2,709	3,249
Operating and administrative expenses		(1,098)	(835)	(2,705)	(2,300)
Operating profit		443	926	20,663	14,583
Provision of expected credit loss, net	9,11	(1,000)	-	(1,694)	(1,690)
Impairment losses of investments properties	4	-	(2,500)	(5,200)	(4,500)
Other revenues, net		148	386	609	282
(Loss) profit for the period before income tax		(409)	(1,188)	14,378	8,675
Income tax expense	16	(76)	(299)	(445)	(907)
(Loss) profit for the period		<u>(485)</u>	<u>(1,487)</u>	<u>13,933</u>	<u>7,768</u>
Attributable to:					
Equity holders of the parent		(168)	(1,770)	14,896	7,380
Non-controlling interest		(317)	283	(963)	388
		<u>(485)</u>	<u>(1,487)</u>	<u>13,933</u>	<u>7,768</u>
Basic and diluted (loss) earnings per share for the period attributable to equity holders of the parent		<u>(0.001)</u>	<u>(0.013)</u>	<u>0.113</u>	<u>0.056</u>

The attached notes from 1 to 23 are part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended September 30, 2025

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2025	2024	2025	2024
		Unaudited	Unaudited	Unaudited	Unaudited
		U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
(Loss) Profit for the period		(485)	(1,487)	13,933	7,768
Other Comprehensive Income items:					
<i>Items that will not be reclassified to the consolidated income statement in subsequent periods:</i>					
Gains (losses) from valuation of financial assets at fair value through other comprehensive income items	7	19,328	(14,416)	61,481	(26,573)
Total other comprehensive income for the period		19,328	(14,416)	61,481	(26,573)
Net comprehensive income for the period		18,843	(15,903)	75,414	(18,805)
Attributable to:					
Equity holders of the parent		19,160	(16,186)	76,377	(19,193)
Non-controlling interest		(317)	283	(963)	388
		18,843	(15,903)	75,414	(18,805)

The attached notes from 1 to 23 are part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended September 30, 2025

	Equity attributable to equity holders of the parent							
	Paid-in share capital	Share premium	Statutory reserve	Fair value reserve	(Accumulat ed losses) Retained earnings	Total	Non- controlling interests	Total equity
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
September 30, 2025								
Balance as at January 1, 2025	131,625	253,461	726	22,242	(8,704)	399,350	23,983	423,333
Profit (loss) for the period	-	-	-	-	14,896	14,896	(963)	13,933
Other comprehensive income items	-	-	-	61,481	-	61,481	-	61,481
Net comprehensive income for the period	-	-	-	61,481	14,896	76,377	(963)	75,414
Change in non-controlling interests	-	-	-	-	-	-	5,000	5,000
Balance as at September 30, 2025 (Unaudited)	131,625	253,461	726	83,723	6,192	475,727	28,020	503,747

	Equity attributable to equity holders of the parent							
	Paid-in share capital	Share premium	Statutory reserve	Fair value reserve	(Accumulat ed losses) Retained earnings	Total	Non- controlling interests	Total equity
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
September 30, 2024								
Balance as at January 1, 2024	131,625	253,461	726	10,664	(1,633)	394,843	23,500	418,343
Profit for the period	-	-	-	-	7,380	7,380	388	7,768
Other comprehensive income items	-	-	-	(26,573)	-	(26,573)	-	(26,573)
Net comprehensive income for the period	-	-	-	(26,573)	7,380	(19,193)	388	(18,805)
Balance as at September 30, 2024 (Unaudited)	131,625	253,461	726	(15,909)	5,747	375,650	23,888	399,538

The attached notes from 1 to 23 are part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended September 30, 2025

	Note	For the nine months period ended September 30	
		2025	2024
		Unaudited U.S. \$ (000's)	Unaudited U.S. \$ (000's)
Operating Activities			
Profit for the period before income tax		14,378	8,675
Adjustments:			
Depreciation and amortization		121	134
Distributed cash dividends from financial assets		(15,859)	(12,330)
(Gains) losses from valuation of financial assets at fair value through profit or loss		(6,278)	2,042
Gains from the sale of investment properties		(80)	-
Interest revenues and investment returns		(2,807)	(3,249)
Provision for employees' indemnity		74	95
Provision for expected credit losses, net		1,694	1,690
Impairment losses of investments properties		5,200	4,500
Other non-cash items		(431)	(35)
		<u>(3,988)</u>	<u>1,522</u>
Working capital adjustments:			
Accounts receivable		8,447	2,837
Other current assets		(7,895)	(6,013)
Accounts payable		(453)	796
Properties under development		-	1,691
Unearned revenues		-	(6,360)
Other current liabilities		65	553
Other non-current liabilities		(61)	(77)
Income tax paid		(68)	(286)
Payments of end of service		(7)	(96)
Net cash flows used in operating activities		<u>(3,960)</u>	<u>(5,433)</u>
Investing Activities			
Purchase of Property, plant, and equipment		(7)	(31)
Purchase of financial assets		(5,232)	(1,027)
Purchase of investments properties		(878)	(1,439)
Sale of investments properties		95	-
Properties under development		(5,634)	(5,553)
Change in deposits in banks maturing after more than 3 months		(4,931)	(5,710)
Investment in financial assets at amortized cost		10,000	-
Received interest revenues		1,643	2,057
Received distributed cash dividends from financial assets		15,956	12,233
Net cash flows from investing activities		<u>11,012</u>	<u>530</u>
Financing activities			
Long-term loans		(1,256)	3,056
Change in non-controlling interest		5,000	-
Net cash flows from financing activities		<u>3,744</u>	<u>3,056</u>
Increase (decrease) in cash and cash equivalents		10,796	(1,847)
Cash and cash equivalents, beginning of the period		4,695	5,433
Cash and cash equivalents, end of the period	12	<u>15,491</u>	<u>3,586</u>

The attached notes from 1 to 23 are part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at September 30, 2025

1. Corporate and its Activities

Asas Al-Ard for Investment and real estate development Co. was incorporated in Ramallah, Palestine on February 21, 2022, and registered with the Ministry of National Economy as a private limited shareholding company under registration no. (562764050). On March 22, 2022, the extra-ordinary general assembly of Palestinian Telecommunication Company (PALTEL) took the decision to distribute shares for PALTEL shareholders in a newly created entity (Arkaan Real Estate), with the aim of transferring real estate assets and investment portfolio to it. The distribution was on the basis of 1:1, wherein PALTEL shareholder would get one share in ARKAAN for each share in PALTEL.

On May 17, 2022, Asas Al-Ard for Investment and real estate development Co. name was changed to "Arkaan Real Estate Public Limited Company" (ARKAAN). And ARKAAN's legal status changed from a private limited shareholding company to a public limited shareholding company under registration number (562601575). On July 3, 2022, ARKAAN's shares were listed on the Palestine Exchange and started trading its shares.

ARKAAN's issued and paid-in capital comprises U.S. \$ 131.625 million at par value of U.S. \$ 1 per share. Net assets in an amount of U.S. \$ 385.086 million were transferred in exchange for a capital contribution, which resulted in share premium in an amount of U.S. \$ 253.461 million.

ARKAAN's main activities are concentrated in financial investments sector and real estate development and investment sector.

The interim condensed consolidated financial statements were authorized for issuance in accordance with a resolution of the Board of Directors on November 6, 2025.

2. Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements comprise the financial statements of ARKAAN Real Estate and its subsidiaries (ARKAAN) as at September 30, 2025.

ARKAAN's ownership in its subsidiaries' subscribed capital was as follows:

	Nature of business	Ownership Percentage		Capital (U.S. \$)	
		%		2025	
		2025	2024	Subscribed	Paid
Jericho Gate for real estate investment	Real estate investment	75	75	49,365,000	49,365,000
Jerusal for real estate investment	Real estate investment	100	100	1,500,000	1,500,000
Arcadia W.L. L	Financial investment	100	100	132,983	132,983

ARKAAN's subsidiaries operate in Palestine except for Arcadia W.L.L which operates in Bahrain.

The financial statements of the subsidiaries are consolidated with ARKAAN's financial statements based on the consolidation of a line-by-line basis of assets, liabilities and result of ARKAAN with the assets, liabilities, and results of subsidiaries after eliminating all intercompany balances and transactions between ARKAAN and its subsidiaries.

The financial period of the subsidiaries is the same as the financial period of ARKAAN, and where necessary, ARKAAN makes adjustments to align the policies of the subsidiaries with the accounting policies of ARKAAN.

3. Basis of preparation and changes in accounting policies

Basis of preparation

The interim condensed consolidated financial statements of ARKAAN for the nine-month period ended September 30, 2025 have been prepared in accordance with International Accounting Standard (IAS 34) "Interim financial reporting".

The interim condensed consolidated financial statements have been presented in U.S Dollars, which is the functional currency of ARKAAN, and all values, except when otherwise indicated, are rounded to the nearest thousand (U.S. \$ 000's).

These interim condensed consolidated financial statements have been prepared on a going concern basis. All available measures have been taken to maintain the continuity of ARKAAN and continue its operations in the current business environment and economic conditions described in Note (23). ARKAAN expects to maintain positive cash flows from its operating activities in Palestinian areas not directly affected by these events, especially in the West Bank region. Management believes that there are no significant doubts about ARKAAN's ability to continue as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the preparation of consolidated annual financial statements and should be read in conjunction with ARKAAN's annual consolidated financial statements as of December 31, 2024. The results for the nine-month period ended September 30, 2025, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2024, except that ARKAAN has implemented the following amendments as of January 1, 2025. The application of these amendments did not result in any material effect on the interim condensed consolidated financial statements of ARKAAN. ARKAAN has not early adopted any standards, amendments, or interpretations issued that are not yet effective.

Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to (IAS 21) "The Effects of Changes in Foreign Exchange Rates" to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments had no material impact on ARKAAN's interim condensed consolidated financial statements.

4. Investment properties

This item represents investments in lands, movement on the account was as follows:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	75,243	73,800
Additions during the period/ year	878	1,443
Investments properties sold	(15)	-
	<u>76,106</u>	<u>75,243</u>
Impairment losses of investments properties *	(38,430)	(33,230)
Balance, end of the period/year	<u><u>37,676</u></u>	<u><u>42,013</u></u>

* Following is a summary of the movement on Impairment losses of investment properties:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	33,230	12,730
Additions during the period/ year	5,200	20,500
Balance, end of the period/ year	<u><u>38,430</u></u>	<u><u>33,230</u></u>

As a result of the war on Gaza Strip and as shown in Note (23), ARKAAN recorded a provision on the investments properties it owns in the Gaza Strip with an amount of U.S. \$ 20 million and U.S. \$ 7 million during the years 2024 and 2023, respectively. Thus the total value of exposures of ARKAAN in the Gaza Strip amounted to U.S. \$ 27 million is fully provisioned for.

5. Properties under development

This item represents projects on development and subdivision of land, as well as the development of commercial properties in Jericho, intended for improvement and resale.

Following is a summary of the movement on properties under development:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	68,703	50,227
Additions during the period/ year *	17,546	20,626
Sales returns during the period/ year	386	-
Properties under development sold	-	(2,150)
Balance, end of the period/ year	<u><u>86,635</u></u>	<u><u>68,703</u></u>

* This item includes undeveloped land acquired by Jericho Gate Real Estate Investment Company (a subsidiary) from some real estate developers for an amount of U.S. \$ 11.878 million, in order to collect due amounts from developers. Thus, the total value of the undeveloped lands that were reacquired for the same reasons amounts to U.S. \$ 25.01 million as of September 30, 2025.

Properties under development includes the following:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Land, buildings, road network preparation costs, and infrastructure work	150,139	134,084
Studies and consultations	5,937	5,575
Finance costs	1,362	1,142
Others	1,544	635
	<u>158,982</u>	<u>141,436</u>
Sold properties under development	(72,347)	(72,733)
	<u>86,635</u>	<u>68,703</u>

6. Land held for sale

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	6,549	-
Additions*	1,262	6,549
Balance, end of the period/ year	<u>7,811</u>	<u>6,549</u>

* During the period, Jericho Gate Real Estate Investment Company (a subsidiary) acquired fully developed land from real estate developers for an amount of U.S. \$ 1.262 million, in order to collect due amounts from developers. Thus, the total value of the fully developed lands that were reacquired for the same reasons amounts to U.S. \$ 7.811 million as of September 30, 2025.

7. Investments in financial securities

A) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income includes the following:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Quoted shares in regional financial markets	235,723	183,294
Quoted shares in local financial markets	40,860	27,087
Un-Quoted shares in financial markets	1,847	1,847
	<u>278,430</u>	<u>212,228</u>

Following is the movement on financial assets at fair value through other comprehensive income items account:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	212,228	199,828
Additions during the period/ year	4,721	822
Change in fair value	61,481	11,578
Balance, end of the period/ year	<u>278,430</u>	<u>212,228</u>

Following is a summary of the movement on the fair value reserve:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	22,242	10,664
Gains from valuation of financial assets at fair value through other comprehensive income items	<u>61,481</u>	<u>11,578</u>
Balance, end of the period/ year	<u><u>83,723</u></u>	<u><u>22,242</u></u>

Cash dividends from financial assets at fair value through other comprehensive income items amounted to U.S. \$ 13.93 million for the period ended September 30, 2025, and U.S. \$ 10.830 million for the period ended September 30, 2024.

B) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represent the following:

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Quoted shares in regional financial markets	28,815	22,628
Quoted shares in local financial markets	<u>853</u>	<u>251</u>
	<u><u>29,668</u></u>	<u><u>22,879</u></u>

Cash dividends from financial assets at fair value through profit or loss amounted to U.S. \$ 1.929 million for the period ended September 30, 2025 and U.S. \$ 1.5 million for the period ended September 30, 2024.

Gain from the change in fair value of financial assets at fair value through profit or loss amounted to U.S. \$ 6.278 million for the period ended September 30, 2025, while the loss from the change in the fair value of financial assets through profit or loss amounted to U.S. \$ 2.042 million for the period ended September 30, 2024.

8. Other non - current assets

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Receivable from the Palestinian Telecommunications Company (Paltel) (Note 10)	16,024	-
Long -term accounts receivable (Note 9)	<u>5,233</u>	<u>20,312</u>
	<u><u>21,257</u></u>	<u><u>20,312</u></u>

9. Accounts receivable

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Trade receivables	483	198
Checks under collection	35,939	60,830
	36,422	61,028
Provision for expected credit losses*	(18,206)	(16,206)
	18,216	44,822
Short-term accounts receivable	12,983	24,510
Long-term accounts receivable	5,233	20,312

* Summary of the movement on the provision for expected credit losses was as follows:

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Balance, beginning of the period/ year	16,206	14,516
Additions during the period/ year	2,000	1,690
Balance, end of the period/ year	18,206	16,206

10. Other current assets

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Advances to suppliers	7,684	1,419
Due from Value Added Tax department	3,028	1,846
Accrued interest revenues	605	562
Loan for Al-Mashtal company	187	187
Due from PALTEL Company *	-	15,673
Accrued investment income	-	97
Income tax advances (Note 16)	-	16
Others	1,119	924
	12,623	20,724
Expected credit loss provision	(187)	(187)
	12,436	20,537

* During the period, an agreement was reached with Paltel to extend the repayment period for the amounts due to ARKAAN till June 30, 2027. Accordingly, these amounts were classified under other non-current Assets (Note 8).

11. Financial assets at amortized cost

In 2024, ARKAAN has invested U.S. \$ 10 million managed through a local company and bear a minimum annual interest rate of 5.5% recalculated monthly and payable every six months based on the signed agreement between the two parties on July 9, 2024. In addition, ARKAAN recorded expected credit losses on investment amounted to U.S. \$ 306,000 as of December 31, 2024. The return on investment of U.S. \$ 98,000 and U.S. \$ 199,000 was recorded during the nine months period ended September 30, 2025, and for the year ending December 31, 2024 under the item of Investment income from financial assets at amortized cost.

During the period ended September 30, 2025 the full invested amount was received, including the accrued investment income, and the expected credit losses recorded on this investment were reversed.

12. Cash and deposits at banks

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Cash and deposits at banks	950	2,201
Deposits in banks maturing within 3 months	15,906	4,438
Deposits in banks maturing in more than 3 months	20,836	15,905
	<u>37,692</u>	<u>22,544</u>

Time deposits represent deposits in US dollars and Jordanian dinars. The interest rate on existing deposits within the period, was 4.22% and 4.21%, respectively.

For the purpose of the interim condensed consolidated statement of cash flow, cash and cash equivalent comprise the following:

	September 30, 2025	September 30, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Cash in hand and current accounts at banks	37,692	21,929
Deposits in banks maturing in more than 3 months	(20,836)	(16,980)
Restricted cash	(5)	(5)
Overdraft account	(1,360)	(1,358)
Cash and cash equivalent	<u>15,491</u>	<u>3,586</u>

13. Statutory reserve

Statutory reserve represents appropriation of profits during prior years in accordance with the Companies' Law. The deduction from profits may not be suspended until the balance of the accumulated statutory reserve account reaches the minimum limit specified in the applicable legislation, which is not distributable to shareholders. ARKAAN did not appropriate any amounts to the statutory reserve, as these are interim condensed consolidated financial statements.

14. Unearned Revenues

This item represents the amounts received in advance on account for the sale of properties and development rights. These unearned revenues are recognized in the condensed consolidated income statement when the revenue is realized. The following is a summary of the movement on unearned revenues:

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Balance, beginning of the period/ year	10,308	38,627
Returns*	(4,043)	(20,727)
Realized unearned revenues during the period/ year	-	(7,592)
Balance, end of the period/ year	<u>6,265</u>	<u>10,308</u>

Following are the unearned revenues details:

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Short Term	-	-
Long-Term	<u>6,265</u>	<u>10,308</u>
	<u>6,265</u>	<u>10,308</u>

* During the period, Jericho Gate Real Estate Investment Company (a subsidiary) acquired developed and undeveloped land parcels from some real estate developers due to their financial difficulties and failure to meet financial obligations on time, resulting in a reduction of deferred revenues for the reacquired land amounting to U.S. \$ 4.043 million. Accordingly, the value of deferred revenues for the reacquired lands as of September 30, 2025, amounts to U.S. \$ 24.77 million.

15. Deferred tax liabilities

The movement on deferred tax liabilities was as follows:

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Balance, beginning of the year	3,761	3,761
Additions to deferred tax liabilities (Note 16)	61	-
Balance, end of the year	<u>3,822</u>	<u>3,761</u>

16. Provision for income tax

The following is a summary of the movement on the provision for income tax (Income tax advances):

	September 30, 2025	December 31, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Balance, beginning of the period/ year	(16)	(930)
Additions during the period/ year	389	1,171
Discounts on advance payments	(5)	(4)
Payments of income tax	(68)	(281)
Currency difference	(22)	28
Balance, end of the period/ year	278	(16)
Net advances recorded in other current assets (Note 10)	-	16
	<u>278</u>	<u>-</u>

During the year 2024, ARKAAN reached a final settlement with the Income Tax Department for the results of its operations for the year 2023, it did not result in recording any additional tax provision. ARKAAN has submitted the tax return for its 2024 results of operations, and the tax advisor is following up on the final clearances.

Moreover, During the period, Jerusal (a subsidiary) reached a final settlement with the Income Tax Department for the results of its operations for the years from 2021 till 2023, it did not result in recording any additional tax provision. Jerusal has submitted the tax return for its 2024 results of operations, and the tax advisor is following up on the final clearances

Up until the date of these interim condensed consolidated financial statements, Jericho Gate Company (a subsidiary) has not reached a final settlement with the Income Tax Department regarding its results for the years 2024 and 2023.

Following are the details of income tax expense shown in the interim condensed consolidated income statement:

	September 30, 2025	September 30, 2024
	<u>U.S. \$ (000's)</u>	<u>U.S. \$ (000's)</u>
Income tax expense for the period	389	911
Discounts on advance payments	(5)	(4)
Amortization of deferred tax liabilities (Note 15)	61	-
	<u>445</u>	<u>907</u>

17. Sales returns, net

This item represents the net value of lands sales returns by a subsidiary (Jericho Gate Company).

18. Related parties

Related parties represent all balances and transactions with related parties which represent major shareholders, members of Board of directors and key management personnel of ARKAAN, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by ARKAAN'S Board of Directors.

Following are the balances of related parties included in the interim condensed consolidated statement of financial position as at September 30, 2025 and December 31, 2024:

	Nature of relationship	September 30, 2025 U.S. \$ (000's)	December 31, 2024 U.S. \$ (000's)
Other current assets	Company invested in by major shareholders	-	15,673
Other non-current assets	Company invested in by major shareholders	16,024	-
Financial assets at amortized cost	Investment managed by a related party	-	9,694
Other current assets	A major shareholder's subsidiaries	-	199
Non-controlling interests	Major shareholder	28,020	23,983
Accounts payable	Company invested in by major shareholders	12	12
Accounts payable	Board of directors	52	175
Accounts payable	A major shareholder's subsidiaries	-	195

Following are the transactions with related parties included in the interim condensed consolidated income statement:

	Nature of relationship	September 30, 2025 U.S. \$ (000's)	September 30, 2024 U.S. \$ (000's)
Interest revenue	Company invested in by major shareholders	876	811
Investment income from financial assets at amortized cost	Investment managed by a related party	98	-
Key management's share of salaries and related benefits		171	248
Key management's share of employees' indemnity expense		14	14
Board of Directors' compensation and expenses		306	164

19. Financial Instruments

Fair value measurements

ARKAAN uses the following sequence to determine and disclose the fair values of its financial instruments:

- The first level: using trading prices (unadjusted prices) for completely similar financial instruments in active financial markets for financial instruments.
- The second level: using data other than trading prices, but which can be observed directly or indirectly.
- The third level: Using data that is not based on observable market data.

ARKAAN did not make any transfers between the levels mentioned above during the period.

The following table shows the fair value measurement hierarchy of financial assets as at September 30, 2025:

	Fair Value Measurement using		
	Trading Prices in active market (The first level)	Observable data (The second level)	Unobservable data (The third level)
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
	Total		
Assets measured at fair value:			
Financial assets at fair value through other comprehensive income items:			
- Quoted	276,583	276,583	-
- Unquoted	1,847	-	1,847
Financial assets at fair value through profit or loss			
- Quoted	29,668	29,668	-

The following table shows the fair value measurement hierarchy of financial assets as at December 31, 2024:

	Fair Value Measurement using		
	Trading Prices in active market (The first level)	Observable data (The second level)	Unobservable data (The third level)
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
	Total		
Assets measured at fair value:			
Financial assets at fair value through other comprehensive income items:			
- Quoted	210,381	210,381	-
- Unquoted	1,847	-	1,847
Financial assets at fair value through profit or loss			
- Quoted	22,879	22,879	-

The fair value of financial assets and liabilities:

The following table shows a comparison between the carrying amounts and the fair value of the financial instruments according to their classification in the interim condensed consolidated financial statements:

	Carrying amount		Fair Value	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Financial assets				
Financial assets at fair value through other comprehensive income	278,430	212,228	278,430	212,228
Financial assets at fair value through profit or loss	29,668	22,879	29,668	22,879
Accounts receivable	18,216	44,822	18,216	44,822
Financial assets at amortized cost	-	9,694	-	9,694
Other financial assets	25,671	19,102	25,671	19,102
Cash and deposits at banks	37,692	22,544	37,692	22,544
	<u>389,677</u>	<u>331,269</u>	<u>389,677</u>	<u>331,269</u>
Financial Liabilities				
Accounts payable	1,529	1,982	1,529	1,982
Lease liabilities	69	193	69	193
Credit facilities and loans	3,728	5,563	3,728	5,563
Other financial liabilities	2,671	2,569	2,671	2,569
	<u>7,997</u>	<u>10,307</u>	<u>7,997</u>	<u>10,307</u>

The fair values of financial assets and liabilities are shown according to the values at which exchanges can take place between the parties concerned, with the exception of compulsory or liquidation sales.

- The fair values of accounts receivable (except for long-term accounts receivable), other financial assets, cash and deposits at banks, accounts payable and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.
- The fair value of long-term lease liabilities, long-term accounts receivable, credit facilities and loans were estimated by discounting the expected cash flows using the same interest rates for items with similar terms and risk characteristics.
- The fair value of quoted financial assets at fair value through profit or loss and quoted financial assets at fair value through other comprehensive income is determined based on their price quotations at the date of the interim condensed consolidated financial statements.
- The fair value of unquoted financial assets at fair value is determined using appropriate valuation methods.
- The fair value of the financial assets at amortized cost is estimated by discounting future cash flows using rates currently available for debt on similar terms and credit risk.

20. Contractual commitments and contingent liabilities.

As of the interim condensed consolidated financial statements date, Jericho Gate for Real Estate Investment Company (a subsidiary) had contractual obligations resulting from contracts signed with contractors and consultants. The amount of contractual commitments represent the difference between the total contract value and the completed amount as at the date of the interim condensed consolidated financial statements. Following is a summary of the outstanding contractual commitments, which are due in the following years:

	September 30, 2025	December 31, 2024
	U.S. \$ (000's)	U.S. \$ (000's)
Unpaid portion of the contractual contracts	3,937	10,581
Unpaid portion of the consultation contracts	89	240
	<u>4,026</u>	<u>10,821</u>

21. Segment information

ARKAAN presents segments reporting information in accordance with ARKAAN's nature of operations, as risks and rates of return are affected predominantly by differences in the services provided.

Business segments comprise of real estate development and investment in addition to the financial investment sector. Business operations are organised and managed separately according to the nature of the services provided by each sector, as each sector presents a strategic business unit.

The following table represents revenues, profit before tax, and other segment information regarding each of ARKAAN's operating segments for the period ended September 30, 2025.

September 30, 2025	Real estate development and investment	Financial investment	Eliminations	Total
	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Revenues				
Dividends revenue from financial assets	-	15,859	-	15,859
Profits from financial assets at fair value through profit or loss	-	6,278	-	6,278
Segment revenues	<u>-</u>	<u>22,137</u>	<u>-</u>	<u>22,137</u>
Results of operations				
Segment's (loss) profit before tax	<u>(8,758)</u>	<u>23,136</u>	<u>-</u>	<u>14,378</u>
Other information				
Sales return, net	<u>(1,656)</u>	<u>-</u>	<u>-</u>	<u>(1,656)</u>
Capital expenditures	<u>(17,953)</u>	<u>(3)</u>	<u>-</u>	<u>(17,956)</u>
Interest revenues	<u>1,023</u>	<u>1,757</u>	<u>(71)</u>	<u>2,709</u>

The following table represents revenues, profit before tax, and other segment information regarding each of ARKAAN's operating segments for the period ended September 30, 2024.

	Real estate development and investment	Financial investment	Eliminations	Total
September 30, 2024	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Revenues				
Revenues from external parties	6,360	-	-	6,360
Dividends income from financial assets	-	12,330	-	12,330
Losses from financial assets at fair value through profit or loss	-	(2,042)	-	(2,042)
Segment revenues	<u>6,360</u>	<u>10,288</u>	<u>-</u>	<u>16,648</u>
Results of operations				
Segment's (loss) profit before tax	<u>(2,290)</u>	<u>10,965</u>	<u>-</u>	<u>8,675</u>
Other information				
Cost of land and development rights sold	<u>(3,014)</u>	<u>-</u>	<u>-</u>	<u>(3,014)</u>
Capital expenditures	<u>(7,023)</u>	<u>-</u>	<u>-</u>	<u>(7,023)</u>
Interest revenues	<u>1,720</u>	<u>1,749</u>	<u>(220)</u>	<u>3,249</u>

The following table represents the assets and liabilities of ARKAAN's business segments as at September 30, 2025 and December 31, 2024:

	Real estate development and investment	Financial investment	Eliminations	Total
September 30, 2025	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Segments' assets	<u>186,933</u>	<u>695,097</u>	<u>(357,143)</u>	<u>524,887</u>
Segments' liabilities	<u>53,836</u>	<u>18,469</u>	<u>(51,165)</u>	<u>21,140</u>
December 31, 2024	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)	U.S. \$ (000's)
Segments' assets	<u>179,409</u>	<u>625,741</u>	<u>(354,694)</u>	<u>450,456</u>
Segments' liabilities	<u>44,114</u>	<u>8,399</u>	<u>(25,390)</u>	<u>27,123</u>

22. Concentration of risk in geographic area

ARKAAN and its subsidiaries are carrying out the majority of its activities in Palestine except for Arcadia W.L.L which operates in Bahrain, where the political and economic destabilization in the area increases the risk of carrying out ARKAAN business and may adversely affect its performance.

23. War on Gaza Strip

The war on Gaza Strip resulted in the destruction of numerous economic facilities in Gaza Strip. Additionally, many properties and assets suffered partial or complete destruction. Various business sectors in the West Bank were also affected due to restrictions, closures between cities, and frequent closures of external crossings.

ARKAAN's management believes that this event has an impact on the ARKAAN's operating activities, investments, revenues, business results, and some of its assets, as follows:

- The total value of ARKAAN's exposures in Gaza Strip as of September 30, 2025 amounted to U.S. \$ 27 million, and the impairment losses recorded by management against these investments in previous periods amounted to U.S. \$27 million, thus, the total value of ARKAAN's exposures in the Gaza Strip is fully provisioned. Management believes that, due to the continued repercussions of the war on the Gaza Strip, there are significant doubts regarding the recoverability of these investments or the realization of any future economic benefits from them. Management will continue to assess the situation based on future developments.
- Decrease in realized revenues during the subsequent period following the war due to ARKAAN and its subsidiaries' inability to conduct their activities normally, especially revenues from the sale of lands and development rights related to Jericho Gate Company (a subsidiary).

The economic effects resulting from this war continue across all Palestinian territories, and thus the impacts of the current situation remain unclear and depend on future developments that cannot be accurately predicted at this time. ARKAAN is continuously monitoring and analyzing the situation and assessing the impact of future developments on its future financial results and cash flows. Management believes that there are no significant doubts regarding ARKAAN and its subsidiary's ability to continue its operations in the future.