

PALESTINE REAL ESTATE INVESTMENT COMPANY P.L.C

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2025

	2025	2024
	JOD	JOD
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant, and equipment	179,794	195,104
Right-of-use assets	2,361,472	2,481,746
Investment properties	14,981,250	15,291,673
Intangible assets	5,353,312	5,912,703
Investment in associate	72,792	96,853
Projects in progress	3,225,030	757,019
Financial assets at fair value through other comprehensive income	7,984,488	12,468,376
Long-term accounts receivable	749,213	722,693
	<u>34,907,351</u>	<u>37,926,167</u>
<b>Current assets</b>		
Inventories and ready for sale properties	9,707,466	10,097,479
Accounts receivable	1,813,532	2,354,761
Other current assets	2,440,976	1,821,470
Financial assets at fair value through profit or loss	950	1,065
Cash and balances at banks	1,624,789	2,201,456
	<u>15,587,713</u>	<u>16,476,231</u>
<b>Total assets</b>	<u>50,495,064</u>	<u>54,402,398</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Paid-in share capital	63,762,486	63,762,486
Share premium	9,372,579	9,372,579
Treasury shares	(12,767)	(12,767)
Statutory reserve	934,090	934,090
Fair value reserve	(1,329,333)	(6,360,835)
Reserve arising from the acquisition of non-controlling interests	(1,841,636)	(1,841,636)
Accumulated losses	(51,930,697)	(48,889,271)
<b>Equity attributable to equity holders of the parent</b>	<u>18,954,722</u>	<u>16,964,646</u>
Non-controlling interests	5,343,474	5,308,004
<b>Net equity</b>	<u>24,298,196</u>	<u>22,272,650</u>
<b>Non-current liabilities</b>		
Long-term loans	4,443,794	4,884,420
Deferred tax liabilities	135,472	135,472
Provision for employees' indemnity	290,615	371,804
Long-term lease liabilities	2,822,421	2,759,509
Other non-current liabilities	1,211,275	1,321,142
	<u>8,903,577</u>	<u>9,472,347</u>
<b>Current liabilities</b>		
Current portion of long-term loans	1,349,740	10,869,998
Short-term lease liabilities	188,404	207,796
Income tax provision	1,451,624	1,297,402
Other current liabilities	14,303,523	10,282,205
	<u>17,293,291</u>	<u>22,657,401</u>
<b>Total liabilities</b>	<u>26,196,868</u>	<u>32,129,748</u>
<b>Total equity and liabilities</b>	<u>50,495,064</u>	<u>54,402,398</u>

**CONSOLIDATED INCOME STATEMENT**

For the year ended December 31, 2025

	2025	2024
	JOD	JOD
<b>Revenues</b>		
Revenues from contracts with customers	330,119	145,953
Rent and service revenues	3,379,150	3,406,197
Direct operating costs	(191,721)	(90,264)
Other operating costs	(2,055,904)	(2,234,974)
	<u>1,461,644</u>	<u>1,226,912</u>
<b>Expenses</b>		
General and administrative expenses	(1,079,071)	(418,006)
Finance costs	(480,113)	(1,216,661)
Depreciation and amortization	(12,880)	(20,368)
Change in fair value of investment properties	(523,029)	(523,073)
	<u>(633,449)</u>	<u>(951,196)</u>
Gains from financial assets portfolio	285,647	285,762
Provision for expected credit losses, net	(21,099)	(501,427)
PRICO's share of associate's results of operations	(24,061)	(73,724)
Impairment losses on intangible assets	-	(1,018,696)
Recovery on ready for sale properties	51,920	18,280
Other (expenses) revenues, net	(13,974)	598,727
<b>Loss for the Year before income tax</b>	<u>(355,016)</u>	<u>(1,642,274)</u>
Income tax expense	(193,632)	(87,884)
<b>Loss for the Year</b>	<u>(548,648)</u>	<u>(1,730,158)</u>
Attributable to:		
Equity holders of the parent	(418,759)	(1,592,213)
Non-controlling interests	(129,889)	(137,945)
	<u>(548,648)</u>	<u>(1,730,158)</u>
Basic and diluted loss per share attributable to equity holders of the parent	<u>(0,007)</u>	<u>(0,025)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2025

	<u>2025</u>	<u>2024</u>
	JOD	JOD
<b>Loss for the year</b>	(548,648)	(1,730,158)
<b>Other comprehensive income items</b>		
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	<u>2,408,835</u>	<u>(2,423,799)</u>
Other comprehensive income items for the Year	<u>2,408,835</u>	<u>(2,423,799)</u>
<b>Total comprehensive income for the Year</b>	<u><u>1,860,187</u></u>	<u><u>(4,153,957)</u></u>
Attributable to:		
Equity holders of the parent	1,990,076	(4,016,012)
Non-controlling interests	<u>(129,889)</u>	<u>(137,945)</u>
	<u><u>1,860,187</u></u>	<u><u>(4,153,957)</u></u>

Palestine Real Estate Investment Company (PRICO)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2025

	Attributable to equity holders of the parent									
	Paid-in share capital	Share premium	Treasury shares	Statutory reserve	Fair value reserve	Reserve resulting from acquisition of non-controlling interests	Accumulated losses	Total	Non-controlling interests	Net equity
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
<b>2025</b>										
<b>Balance as at January 1, 2025</b>	63,762,486	9,372,579	(12,767)	934,090	(6,360,835)	(1,841,636)	(48,889,271)	16,964,646	5,308,004	22,272,650
Loss for the year	-	-	-	-	-	-	(418,759)	(418,759)	(129,889)	(548,648)
Other comprehensive income items	-	-	-	-	2,408,835	-	-	2,408,835	-	2,408,835
Total comprehensive income for the year	-	-	-	-	2,408,835	-	(418,759)	1,990,076	(129,889)	1,860,187
Losses from the sale of financial assets at fair value through other comprehensive income, recognized directly in accumulated losses	-	-	-	-	2,622,667	-	(2,622,667)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	165,359	165,359
<b>Balance as at December 31, 2025</b>	<b>63,762,486</b>	<b>9,372,579</b>	<b>(12,767)</b>	<b>934,090</b>	<b>(1,329,333)</b>	<b>(1,841,636)</b>	<b>(51,930,697)</b>	<b>18,954,722</b>	<b>5,343,474</b>	<b>24,298,196</b>
<b>2024</b>										
<b>Balance as at January 1, 2024</b>	63,762,486	9,372,579	(12,767)	934,090	(4,868,065)	(1,841,636)	(46,366,029)	20,980,658	4,594,117	25,574,775
Loss for the year	-	-	-	-	-	-	(1,592,213)	(1,592,213)	(137,945)	(1,730,158)
Other comprehensive income items	-	-	-	-	(2,423,799)	-	-	(2,423,799)	-	(2,423,799)
Total comprehensive income for the year	-	-	-	-	(2,423,799)	-	(1,592,213)	(4,016,012)	(137,945)	(4,153,957)
Losses from the sale of financial assets at fair value through other comprehensive income, recognized directly in accumulated losses	-	-	-	-	931,029	-	(931,029)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	851,832	851,832
<b>Balance as at December 31, 2024</b>	<b>63,762,486</b>	<b>9,372,579</b>	<b>(12,767)</b>	<b>934,090</b>	<b>(6,360,835)</b>	<b>(1,841,636)</b>	<b>(48,889,271)</b>	<b>16,964,646</b>	<b>5,308,004</b>	<b>22,272,650</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31, 2025

	2025	2024
	JOD	JOD
<b><u>Operating activities</u></b>		
Loss for the year before income tax	(355,016)	(1,642,274)
<b>Adjustments for:</b>		
Depreciation and amortization	768,091	1,000,702
Change in fair value of investment properties	523,029	523,073
PRICO's share of associate's results of operations	24,061	73,724
Provision for expected credit losses	21,099	501,427
Provision for employee's indemnity	28,489	27,724
Gains from financial assets portfolio	(285,647)	(285,762)
Finance cost	685,501	1,427,928
Impairment losses on intangible assets	-	1,018,696
Loss on disposal of intangible assets	-	158,511
Recovery on ready for sale properties	(51,920)	(18,280)
Deferred revenues recognized	485,067	(2,786,055)
Recovery of unnecessary provisions	-	(664,553)
Other non-cash items	40,783	15,902
	<u>1,883,537</u>	<u>(649,237)</u>
<b>Working capital adjustments:</b>		
Accounts receivable	747,446	3,147,038
Inventories and ready for sale properties	(54,641)	35,487
Other current assets	(619,506)	3,291,904
Other current liabilities	2,807,330	378,077
Other non-current liabilities	(109,867)	(449,769)
Employees' indemnity paid	(116,775)	(67,960)
Tax paid	(35,489)	(56,698)
<b>Net cash from operating activities</b>	<u>4,502,035</u>	<u>5,628,842</u>
<b><u>Investing Activities</u></b>		
Sale of financial assets at fair value through other comprehensive income	6,885,249	1,686,406
Purchase of financial assets at fair value through other comprehensive income	-	(1,029,405)
Purchase of property, plant, and equipment	(21,091)	(6,867)
Project in progress	(2,468,011)	(750,231)
Dividends received	285,762	285,762
<b>Net cash from investing activities</b>	<u>4,681,909</u>	<u>185,665</u>
<b><u>Financing Activities</u></b>		
Long-term loans	(9,354,200)	(4,288,982)
Payments of lease liabilities	(218,759)	(230,830)
Finance costs paid	(353,011)	(1,255,208)
Change in non-controlling interest	165,359	851,832
Change in restricted cash	25,512	(36,719)
<b>Net cash used in financing activities</b>	<u>(9,735,099)</u>	<u>(4,959,907)</u>
<b>(Decrease) Increase in cash and cash equivalents</b>	<u>(551,155)</u>	<u>854,600</u>
Cash and cash equivalents, beginning of the Year	<u>2,095,174</u>	<u>1,240,574</u>
<b>Cash and cash equivalents, end of the Year</b>	<u><u>1,544,019</u></u>	<u><u>2,095,174</u></u>