UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025
with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
مركز زهران للأعمال
شارع الأميرسلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Umm Al-Qura for Development and Construction Company

Opinion

We have audited the consolidated financial statements of Umm Al-Qura for Development and Construction Company ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory 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 International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for 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 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), that is endorsed in the Kingdom of Saudi Arabia , as applicable to audits of the financial statements of public interest entities. We have also 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.

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 of the current period. 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.

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Independent Auditor's Report

To the Shareholders of Umm Al-Qura for Development and Construction Company (continued)

<table>
<tr><th colspan="2">Valuation of investment properties</th></tr>
<tr><td colspan="2">Refer to note 4 to the consolidated financial statements for the material accounting policy, note 3 and note 6 for the critical accounting estimates and assumptions.</td></tr>
<tr><th>The Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As at 31 December 2025, the Group has investment properties amounting to SAR 16,260 million which represents significant balance in the Group's consolidated statement of financial position as of that date.

We have identified the fair value disclosure of investment properties to be a key audit matter.

The determination of fair value is inherently a complex process that involves the use of various assumptions and the exercise of considerable judgment.

In addition to the above, the Group involves a third party valuer to assess the fair value of its investment properties.

Significant assumptions and judgments are set out in notes 3 and 6 to the consolidated financial statements. Accordingly, the determined fair value is often highly sensitive to such assumptions and judgments, and variations therein may have a material impact on the consolidated financial statements. Additionally, the determined fair value is used by the management in their analysis of whether there are impairment indicators in relation to investment properties.</td><td>We obtained the valuation assessment carried out by management and performed audit procedures, which included the following:

• Assessed the design and implementation of the key controls relating to valuation of investment properties.

• Assessed the competence, capabilities and objectivity of the Valuer engaged by management.

• Assessed the reliability and relevance of data used and test the mathematical accuracy of the calculations included within management's valuation assessment

• Involved our internal valuation specialist who performed the following procedures:

- Assessed whether the methodology applied by the Valuer and management to estimate the fair value is appropriate; and
- Assessed the reasonableness and appropriateness of selected assumptions and judgments used by the Valuer and management.

• Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.</td></tr>
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Independent Auditor's Report

To the Shareholders of Umm Al-Qura for Development and Construction Company (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The 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 will 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 annual report, when made available to us, 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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, and Company's By-laws 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.

Those charged with governance, Audit Committee, 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 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 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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.

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Independent Auditor's Report

To the Shareholders of Umm Al-Qura for Development and Construction Company (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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, then 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 of Umm Al-Qura for Development and Construction Company ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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 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.

KPMG Professional Services Company

Abdullah Oudah Althaghafi
License No. 455

Jeddah, 31 March 2026
Corresponding to 12 Shawal 1447H

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	2025	2024
Assets			
Investment properties	6	**16,260,306,245**	20,208,204,519
Property and equipment	7	**3,683,237,667**	539,222,138
Development properties– non-current portion	8	**--**	203,051,171
Trade receivables – non-current portion	9	**1,171,771,612**	1,137,325,748
Right-of-use assets	10	**11,227,305**	10,814,213
Intangible assets	11	**28,974,492**	8,569,545
Non-current assets		**21,155,517,321**	22,107,187,334
Development properties	8	**2,415,388,541**	869,036,684
Trade receivables – current portion	9	**1,616,298,938**	959,939,887
Advances and other receivables	12	**187,629,693**	287,915,469
Investment at fair value through profit or loss	13	**101,088,601**	7,803,490
Short-term investment	14	**--**	315,000,000
Cash and cash equivalent	14	**226,969,596**	513,357,637
Current assets		**4,547,375,369**	2,953,053,167
Total assets		**25,702,892,690**	25,060,240,501
Equity			
Share capital	15	**14,386,475,610**	13,078,614,190
Share premium	15.1	**600,340,937**	--
Retained earnings / (accumulated losses)		**876,944,549**	(108,692,762)
Total equity		**15,863,761,096**	12,969,921,428
Liabilities			
Loans– non-current portion	16	**7,142,431,366**	9,840,480,900
Lease liabilities	10	**8,674,639**	9,197,363
Employees' benefits	17	**22,716,158**	23,378,897
Retention payables	18	**25,673,180**	142,030,478
Non-current liabilities		**7,199,495,343**	10,015,087,638
Loans – current portion	16	**336,644,252**	150,053,514
Lease liabilities – current portion	10	**3,195,200**	2,558,000
Accounts payable – compensation of lands	19	**422,294,021**	421,353,827
Accounts payable	20	**40,604,287**	83,130,871
Accrued expenses and other liabilities	21	**1,790,254,343**	1,382,290,119
Zakat provision	22	**46,644,148**	35,845,104
Current liabilities		**2,639,636,251**	2,075,231,435
Total liabilities		**9,839,131,594**	12,090,319,073
Total equity and liabilities		**25,702,892,690**	25,060,240,501

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Saeed Othman Alghamdi Chief Financial Officer	Yasser Abdulaziz Abu Ateek Chief Executive Officer	Abdullah Saleh Kamel Chairman

The accompanying notes 1 through 37 form an integral part of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	**2025**	2024
Revenue	23	**2,903,226,919**	1,823,890,442
Cost of revenue	23.1	**(1,544,872,170)**	(983,835,644)
Gross profit		**1,358,354,749**	840,054,798
Other operating income	24	**118,030,819**	62,675,715
Other operating expenses	6.9	**--**	(79,539,698)
General and administrative expense	25	**(269,325,791)**	(197,630,308)
Selling and marketing expenses	26	**(92,453,478)**	(63,793,704)
Allowance for expected credit losses	9	**(20,837,896)**	(4,122,012)
Operating profit		**1,093,768,403**	557,644,791
Finance Income		**13,809,081**	16,354,730
Finance costs	27	**(80,643,636)**	(39,967,433)
Profit before Zakat		**1,026,933,848**	534,032,088
Zakat	22	**(43,544,646)**	(35,421,888)
Profit for the year		**983,389,202**	498,610,200
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Remeasurement of employees' benefits	17	**2,248,109**	(1,532,449)
Total comprehensive income for the year		**985,637,311**	497,077,751
Earnings per share:			
Basic and diluted earnings per share attributable to equity holders of the Company (in SAR per share)	28	**0.70**	0.38

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Saeed Othman Alghamdi
Chief Financial Officer

Yasser Abdulaziz Abu Ateek
Chief Executive Officer

Abdullah Saleh Kamel
Chairman

The accompanying notes 1 through 37 form an integral part of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Share capital	Share premium	(Accumulated loss) / retained earnings	Total equity
Balance at 1 January 2024	13,078,614,190	--	(605,770,513)	12,472,843,677
Profit for the year	--	--	498,610,200	498,610,200
Other comprehensive loss	--	--	(1,532,449)	(1,532,449)
Total comprehensive income for the year	--	--	497,077,751	497,077,751
Balance at 31 December 2024	13,078,614,190	--	(108,692,762)	12,969,921,428
Balance at 1 January 2025	**13,078,614,190**	**--**	**(108,692,762)**	**12,969,921,428**
Profit for the year	**--**	**--**	**983,389,202**	**983,389,202**
Other comprehensive income	**--**	**--**	**2,248,109**	**2,248,109**
Total comprehensive income for the year	**--**	**--**	**985,637,311**	**985,637,311**
Increase in share capital and share premium (note 15)	**1,307,861,420**	**600,340,937**	**--**	**1,908,202,357**
Balance at 31 December 2025	**14,386,475,610**	**600,340,937**	**876,944,549**	**15,863,761,096**

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Saeed Othman Alghamdi Chief Financial Officer	Yasser Abdulaziz Abu Ateek Chief Executive Officer	Abdullah Saleh Kamel Chairman

The accompanying notes 1 through 37 form an integral part of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**2025**	2024
Cash flows from operating activities			
Profit before Zakat		**1,026,933,848**	534,032,088
Adjustments for the following items:			
Depreciation on property and equipment	7	**8,199,674**	5,772,956
Depreciation on right-of-use assets	10	**2,431,007**	2,210,137
Amortization of intangible assets	11	**3,341,769**	2,687,191
Allowance for expected credit losses	9	**20,837,896**	4,122,012
Finance costs	27	**80,643,636**	39,967,433
Finance income		**(13,809,081)**	(16,354,730)
Gain on extension of the loan		**(18,826,838)**	--
Realized gain from investment at fair value through profit or loss	13	**(16,944,801)**	--
Unrealized gain from investment at fair value through profit or loss	13	**(88,601)**	(410,524)
Gain on sale of property and equipments		**(21,208)**	--
Provision for employees' benefits	17	**3,641,927**	3,423,723
		1,096,339,228	575,450,286
Change in current assets and liabilities:			
Trade receivables		**(711,642,811)**	(1,072,215,590)
Advances and other receivables		**85,226,851**	30,012,972
Development properties		**1,416,920,438**	932,378,838
Accounts payable		**(42,526,584)**	7,987,907
Accrued expenses and other liabilities		**322,042,070**	35,503,140
Cash generated from operating activities		**2,166,359,192**	509,117,553
Employees' benefit paid		**(3,264,116)**	(728,586)
Income from short-term desposits		**17,002,526**	14,876,817
Zakat refund		**--**	1,154,465
Zakat paid		**(32,745,602)**	(81,373,575)
Net cash generated from operating activities		**2,147,352,000**	443,046,674
Cash flow from investing activities			
Additions to property and equipment		**(108,858,530)**	(30,509,665)
Additions to investments properties		**(1,221,752,607)**	(822,583,433)
Additions to Intangible assets		**(20,907,431)**	(476,594)
Proceeds from disposal of property and equipment		**21,280**	--
Proceeds from short term investment	14	**315,000,000**	(315,000,000)
Retention payables		**53,711,311**	32,272,314
Net investment at fair value through profit or loss		**(76,251,709)**	--
Accounts payable - Compensation of lands		**940,194**	(39,203,786)
Net cash (used in) investing activities		**(1,058,097,492)**	(1,175,501,164)

Saeed Othman Alghamdi	Yasser Abdulaziz Abu Ateek	Abdullah Saleh Kamel
Chief Financial Officer	Chief Executive Officer	Chairman

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**2025**	2024
Cash flows from financing activities:			
Proceeds from loans		**941,557,890**	1,346,276,692
Proceeds from public offering		**1,902,493,203**	--
Repayment of loans		**(3,435,563,144)**	--
Repayment to leased liabilities	10	**(3,195,200)**	(2,558,000)
Payments of finance charges from long term loans		**(780,935,298)**	(636,418,876)
Net cash (used in) / generated from financing activities		**(1,375,642,549)**	707,299,816
Net change in cash and cash equivalent		**(286,388,041)**	(25,154,674)
Cash and cash equivalent at the beginning of the year		**513,357,637**	538,512,311
Cash and cash equivalent at the end of the year	14	**226,969,596**	513,357,637
Major non-cash supplemental information:			
Net transfer to development properties	6.1	**2,710,071,802**	1,767,611,859
Transfer to property and equipment	6.1	**2,991,795,824**	110,730,600
Capitalization of borrowing cost on investment properties	6.7	**526,610,419**	717,738,277

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Saeed Othman Alghamdi	Yasser Abdulaziz Abu Ateek	Abdullah Saleh Kamel
Chief Financial Officer	Chief Executive Officer	Chairman

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Umm Al Qura for Development and Construction Company (the "Company") is a Saudi Joint Stock Company, registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued in Riyadh on 28 Rabie Al-Thani 1433H (corresponding to 21 March 2012). The Ministerial Resolution No. 163/S dated 27 Rabea Al-Thani 1433H (corresponding to 20 March 2012).

The Company's headquarters are located at the following address:

Makkah Al-Mukarramah, Al-Rusaifa District
P. O. Box 2391
Postal code 24232
Kingdom of Saudi Arabia

The Group is engaged in real estate activities represented in purchasing, selling and dividing of land and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

On 21 Shawwal 1445H (corresponding to 30 April 2024), the Extraordinary General Assembly approved an increase in the Company's authorized share capital from SR 13,078,614,190, divided into 1,307,861,419 ordinary shares with a par value of SR 10 per share, to SR 14,386,475,610, divided into 1,438,647,561 ordinary shares with a par value of SR 10 per share, by issuing 130,786,142 new ordinary shares (representing 9.09% of the Company's share capital after the increase) for the initial public offering on the Saudi Stock Exchange ("Tadawul") in the Kingdom of Saudi Arabia. Trading commenced on 24 March 2025 under ticker symbol 4325 ISIN SA169G7I3IH8.

On 24 March 2025, the Company completed its initial public offering ("IPO"), with the new ordinary shares issued and fully paid, and subsequently listed on the Saudi Stock Exchange ("Tadawul"). Accordingly, the Company has been classified as a Saudi joint stock company. The commercial registration and bylaws were updated from a Closed Joint Stock Company to a Public Joint Stock Company.

These consolidated financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 23 Rabi' Awal 1442H (corresponding to 9 November 2020).

These consolidated financial statements include the financial statements of Umm Al-Qura for Development and Construction Company (the "Company") and its investment funds (the "Subsidiary Funds") (together referred to as the "Group"). The subsidiary funds are as follows:

Name of subsidiary fund	Country of incorporation	Principal business	Effective shareholding percentage 2025	Effective shareholding percentage 2024
Alinma Makkah for Development Fund I	Kingdom of Saudi Arabia	Investment properties	**100%**	100%
Alinma Makkah for Development Fund II	Kingdom of Saudi Arabia	Investment properties	**100%**	100%

1. GENERAL INFORMATION (continued)

During the year ended 31 December 2023, the Group established Masar Front Company Limited in partnership with Kaden Investment Company to develop and manage Masar Front under Commercial Registration No. 4031276869, with an ownership percentage of 50% for each partner. On 1 December 2024, the shareholders decided to disolve Masar Front Company Limited. The liquidation process has been completed, and the Company's commercial registration has been deregistered.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and other standards and pronouncements that are endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).(collectively referred to as "IFRS as endorsed in KSA).

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated, such as employees' benefits which are recognized at the present value of future obligations using the projected unit credit method, and investments which are measured at fair value through profit or loss. These consolidated financial statements are prepared using the accrual basis of accounting and the going concern concept.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals ("SR"), which is the functional and presentational currency of all the entities in the Group. All amounts have been rounded off to the nearest SR, unless otherwise stated.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and the associated disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

3. USE OF JUDGEMENTS AND ESTIMATES (continued)

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The following are the judgments, estimates, and assumptions that have a significant impact on the consolidated financial statements of the Group as mentioned below:

3.1 Judgements

(1) Classification of investment properties

The Group determines whether a property qualifies as an investment property in accordance with IAS 40 Investment Property. In making its judgement, the Group assesses whether a property is held to earn rental income, for capital appreciation, or for undetermined use, rather than for use in the production, or services, or for administrative purposes.

As part of this assessment, the Group considers whether a property generates cash flows that are largely independent of other assets within the Group. If the property is primarily used in the Group's operations or is held for sale in the ordinary course of business, it is classified accordingly as owner-occupied property or inventory (i.e., property under development), respectively.

This judgment is issued at the time of initial recognition and reassessed if there are significant changes in the use or intended purpose of the property.

(2) Classification of development property and operating cycle

Management exercises its judgment in assessing whether development properties are expected to be realized within the Group’s normal operating cycle. Accordingly, development properties expected to be realized within the normal operating cycle are classified as current assets, while those not expected to be realized within the normal operating cycle are classified as non-current assets.

(3) Consolidation of subsidiaries

The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 “Consolidated Financial Statements”. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place, and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

3. USE OF JUDGEMENTS AND ESTIMATES (continued)

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty as at the reporting date, which could result in material adjustments to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

a) Cost to complete the sold lands

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include, amongst other items, the construction costs, variation orders and the cost of meeting other contractual obligations to the customers. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

b) Measurment of the Fair value

The Group measures certain financial and non-financial assets and liabilities at fair value in accordance with applicable accounting standards. Fair values are determined using appropriate valuation techniques and, where possible, observable market data. The Group applies a consistent approach in determining fair values and reviews the classification at each reporting date.

c) Employees' benefits

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality Corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note 17.

d) Useful lives, residual value and method of depreciation for property and equipment

The Group determines the estimated useful lives of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the asset or physical wear and tear. The Group believes that residual may not result in significant change to depreciation charge and carrying amount of the assets. Accordingly the residual value is assumed to be zero. Management also believes that the straight-line depreciation reflects the pattern of consumption of economic benefits.

3. USE OF JUDGEMENTS AND ESTIMATES (continued)

3.2 Estimates and assumption (continued)

d) Useful lives, residual value and method of depreciation for property and equipment (continued)

Management reviews the useful lives, residual value, and method of depreciation annually for any significant changes from the previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

e) Impairment of non-financial assets

At each reporting date, the Group assesses its assets to assess whether there is an indication that the assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. In assessing value in use, the estimated future cash flows of the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account. For investment properties, Impairment indicators show that the fair value of the investment property is less than the carrying amount. The significant judgments and assumptions used in the fair valuation are disclosed in note 6.

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, if any, are recognized immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined that no impairment loss has been recognized for the asset in prior years. The reversal of impairment losses, if any, is recognized immediately in the consolidated statement of profit or loss. For details on assumptions used and sensitivities of key assumptions, refer Note 6

f) Provision for expected credit losses (ECL) of trade receivables

The Group has selected a simplified approach for all trade receivables. The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in note 9.

3. USE OF JUDGEMENTS AND ESTIMATES (continued)

3.2 Estimates and assumption (continued)

g) Incremental borrowing rate

The Group measures accounts receivable at the amount expected to be collected, which is the net present value (NPV). In determining the NPV, the Group considers the expected timing of receipts, the credit risk of customers, and any potential adjustments for the time value of money where settlement terms indicate a significant delay. When the Group cannot readily determine the interest rate implicit in the receivable, it uses its incremental borrowing rate (IBR) as a basis for discounting. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of similar value in a similar economic environment. The NPV therefore reflects both estimated credit losses and, where applicable, the impact of discounting to present value. The Group estimates these values using observable market inputs (such as interest rates and credit spreads) when available and incorporates entity-specific assumptions regarding customers' payment patterns, economic conditions, and other relevant factors.

h) Estimation of net realizable value of development properties

Development properties have been identified at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete and the estimated costs to complete the sale. Net realizable value is assessed with reference to market conditions, the planned method of disposal, and the recoverable amount of the properties as at the reporting date, based on the planned method of disposal. Net realizable value of these properties is assessed internally by the Group, taking into account recent market transactions. The estimated selling price of plots of land is assessed with reference to market prices at the reporting date for similar properties, adjusted for differences in location, size, development stage, and quality. Estimated costs to complete development are deducted from the estimated selling price to arrive at NRV.

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following material accounting policies to all periods presented in these consolidated financial statements, unless otherwise stated.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its investment funds as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

4. MATERIAL ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investees;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of the subsidiary, without the loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary entity, it derecognizes the related assets (including goodwillو, if any), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

The financial statements of subsidiaries are prepared for periods corresponding to the company's financial reporting period using the same accounting framework as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

4.2 Expenses

Selling and marketing and general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and marketing expenses are those arising from the Group's efforts underlying the sales and marketing functions. All expenses, excluding financing charges, are classified as general and administrative expenses. Allocations of common expenses between cost of revenue, selling and marketing, and general and administrative expenses, when required, are charged on a consistent basis.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Zakat

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Company and Zakat related to the Company's ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

4.4 Value Added Tax (VAT) and Real Estate Transaction Tax (RETT)

During the year 2020, the Zakat, Tax and Customs Authority ("ZATCA") announced that pursuant to the Royal Decree No. (A/84) dated 1 October 2020, the disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be VAT exempt and subject to a 5% real estate transaction tax (RETT). RETT is applicable on the transactions that took place on or after 4 October 2020. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020.

Other than disposal of real estate transactions covered under RETT law, the Group is subject to Value Added Tax ("VAT") for the supply of other goods and services in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases other than claimable under Real Estate Transaction Tax (RETT) law ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the consolidated statement of profit or loss and other comprehensive income. However, Input VAT related to exempt supplies, is added to the cost of purchases whereas Input VAT related to mixed supplies is claimed using the Proportional Default Rate Formula.

4.5 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange ruling at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items that are measure at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.6 Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost also includes the borrowing costs for long-term construction projects if the recognition criteria are met.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Property and equipment (continued)

Recognition and measurement (continued)

When significant parts of an item of property and equipment have materially different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing a major part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying value of the replaced part is derecognized. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant, and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss and other comprehensive income as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

Depreciation

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Lands are not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Property and equipment (continued)

Depreciation (continued)

The estimated useful lives of assets is as follow:

Categories	Useful life in years
Commercial buildings	10 – 85
Furniture and fixtures	3 – 5
Vehicles	5
Computer	3 – 5
Leasehold improvement	5 or contract period or technical opinion

The residual values, useful lives and methods of depreciation of property and equipment are reviewed annually and adjusted prospectively, if appropriate.

Capital work-in-progress
CWIP is carried at cost, less any recognized impairment loss, if any. When capital works are ready for their intended use, the capital works in progress are transferred to the appropriate property and equipment category.

4.7 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Leases (continued)

The Group as lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Right-of-use assets:
The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of-use assets are determined on the same basis as those of property and equipment. The recognized right-of use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities:
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine lease payments) or a change in the assessment of an option to purchase the related asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate (“IBR”) is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Leases (continued)

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group enters into leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with the terms of the leases over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefits are derived from the leased assets.

Lease incentives or any escalation in the lease rental are recognized as an integral part of the total lease receivable and accounted for on a straight-line basis over the term of the lease. Contingent rents are recognised as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity- specific estimates.

4.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the construction of an asset are capitalized using capitalization rate up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the consolidated statement of profit or loss and other comprehensive income. In case of specific borrowings, all such costs, directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the underlying asset. All other borrowing costs are expensed in the period in which they occured.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.9 Investment properties

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future as investment properties. Investment property is measured at cost less accumulated depreciation and impairment loss if any. Investment properties are depreciated on a straight-line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment properties are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss and other comprehensive income in the period of derecognition.

Expenses incurred for replacing component of investment properties items, which are accounting for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

Transfers are made from investment property to development property only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

4.10 Development properties

Development properties are properties that are being developed for the purpose of sale. Development properties arise within the Group when the Group acquires properties with the intention to sell them, or when there is a change in the use of investment properties, evidenced by the commencement of development with a view to sale. The investment properties are reclassified as development properties at their carrying amount at the date of their reclassification.

They are subsequently recognized at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.11 Allocation of cost of land, construction and infrastructure assets to Properties

The Group uses fair value as a resonable basis for allocating cost of land, construction and infrastructure assets to its owner-occupied properties, investment properties and development properties for the purpose of determining respective carrying values.

4.12 Fair value measurement

The Group discloses the fair value of the non-financial assets such as investment properties as part of its financial statements. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4.13 Intangible assets

Intangibles acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less than any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.12 Intangible assets (continued)

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

4.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit (CGU’s) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows into the Group that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, unless an impairment loss has been recognized for the asset in previous years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit (“CGU”) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

4.15 Initial recognition – Financial assets and financial liabilities

Financial assets

A Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.15 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Initial Measurement
At initial recognition, except for the trade receivables which do not contain a significant financing component, the Group measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value of the respective financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income, if any.

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price as per IFRS 15.

Classification and Subsequent measurement
The Group classifies its financial assets into the following measurement categories:

a) those to be measured subsequently at fair value (either through consolidated statement of other comprehensive income, or through consolidated statement of profit or loss); and
b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The category most relevant to the Group is financial assets measured at amortized cost.

Financial assets measured at amortized cost
A financial asset shall be measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method, less impairment (if any). Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are recognized in consolidated statement of profit or loss and other comprehensive income.

Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest and dividend income are recognised in profit or loss.

Reclassifications
When and only when, a Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.15 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

Impairment in financial assets

Financial assets measured at amortised cost
At each reporting date, the Group assesses whether financial assets carried at amortized cost have been subject to credit impairments. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of assets. Assets that are individually significant are tested individually whereas others are grouped together with financial assets of similar credit risk characteristics and assessed collectively.

A reversal of impairment losses is recognized if it can be objectively attributed to an event occurring after the recognition of the impairment losses. For financial assets measured at amortized cost, such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

IFRS 9 requires a Group entity to follow an expected credit loss model for the impairment of financial assets. It is no longer necessary for a credit event to have occurred for the recognition of credit losses. Instead, a Group, using expected credit loss model, always accounts for expected credit losses and changes therein at each reporting date. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

Expected loss shall be measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. For credit risks that have not experienced a significant increase in credit risk since initial recognition, ECLs are calculated for amounts resulting from default events over the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. Commission income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the consolidated statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.15 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group considers a financial asset to be in default when the debtor is unlikely to repay the outstanding balance to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Financial liabilities

Initial Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit or loss and other comprehensive income and as amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of long term loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payable, lease liabilities, accruals and term loans.

Classification and Subsequent measurement
A Group shall classify all financial liabilities as subsequently measured at amortized cost, except for:

a) Financial liabilities at fair value through statement of profit or loss
b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
c) Financial guarantee contracts.
d) commitments to provide a loan at a below-market commission rate.

All of the Group's financial liabilities are subsequently measured at amortized cost using the EIR method, if applicable.

Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.15 Initial recognition – Financial assets and financial liabilities (continued)

Financial liabilities (continued)

Derecognition
A financial liability is recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalent comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Provisions
Provisions are recognized when the Group has an obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of profit or loss and other comprehensive income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

4.16 Employee benefits

Short term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.16 Employee benefits (continued)

Defined benefit plan

The Group maintains an unfunded defined benefit plan for employees' terminal / end of service benefits in accordance with the Saudi Arabian Labor Law.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations ("DBO") is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in the consolidated statement of other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss and other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

For the liability relating to employees' terminal benefits, the actuarial valuation process takes into account the provisions of the Saudi Arabian Labor Law as well as the Group's policy.

4.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognized in the consolidated statement of profit or loss and other comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from contracts with customers for sale of properties

The Group recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1 – Identify the contract(s) with a customer: A contract is an agreement between two or more parties that creates rights and obligations, and sets the criteria that shall be met.

Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.17 Revenue recognition (continued)

Revenue from contracts with customers for sale of properties (continued)

Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

If the consideration promised in a contract includes a variable amount, the Group shall estimate the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer.

The promised consideration can vary if the Group's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. An amount of consideration can vary due to discounts, rebates, refunds, credits, incentives, penalties or other similar items. The variability relating to the consideration promised by a customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the amount of variable consideration by using the most likely amount in accordance with the terms of the contract.

The Group recognizes revenue at the point in time at which the customer obtains control of a promised asset or service and the Group satisfies the performance obligations. The Group considers the below mentioned indicators to assess the transfer of control of the promised asset:

- the Group has the right to receive the price of the asset.
- the Group has transferred physical possession of the asset.
- the customer has significant risks and rewards from ownership of the asset.
- the customer has accepted the asset.

Cost of revenue
Costs of revenue include the cost of lands, development costs, and other service costs directly related to the provision of goods or services for which the Group recognizes its revenue. The costs of revenues in respect of hospitality business, services, and rental income is based on the cost of providing services.

5. NEW STANDARDS, INTERPETATON AND AMENDMENTS

5.1 New standards, amendment to standards and interpretations

The following table lists the recent changes to the Accounting Standards that applied for the annual period beginning on 1 January 2025. The adoption of the following amendments to the existing standards had no significant impact on the consolidated financial statements of the Group:

Standard / Interpretation	Description	Effective date
IAS 21	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

5.2 Standards issued but not yet effective

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the consolidated financial statements, are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective, and the Group is currently analyzing the impacts of these forthcoming pronouncements.

Standard / Interpretation	Description	Effective date
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

6. INVESTMENT PRPOERTIES

6.1 The movement in investment properties during the year ended 31 December is analysed as follows:

	2025		
	Lands	**Capital work in progress ("CWIP")**	**Total**
Balance as 1 January	**8,753,984,685**	**11,454,219,834**	**20,208,204,519**
Additions during the year (note 6.4 and 6.8)	**777,530**	**1,753,191,822**	**1,753,969,352**
Transfer to development property (note 6.6)	**(1,195,323,285)**	**(1,514,748,517)**	**(2,710,071,802)**
Transfer to property and equipment (note 6.6)	**(610,928,789)**	**(2,380,867,035)**	**(2,991,795,824)**
Balance as at 31 December	**6,948,510,141**	**9,311,796,104**	**16,260,306,245**

	2024		
	Lands	Capital work in progress ("CWIP")	Total
Balance as 1 January	9,580,349,885	11,112,434,221	20,692,784,106
Additions during the year (notes 6.4 and 6.8)	4,372,760	1,468,929,810	1,473,302,570
Transfer from development properties (Note 6.5)	16,233,599	18,458,763	34,692,362
Transfer to development properties (Note 6.6)	(846,971,559)	(955,332,662)	(1,802,304,221)
Transfer to property and equipment (Note 6.6)	--	(110,730,600)	(110,730,600)
Written off during the year (Note 6.9)	--	(79,539,698)	(79,539,698)
Balance as at 31 December	8,753,984,685	11,454,219,834	20,208,204,519

6.2 The Royal Decree No. 44133 dated 5 Shaban 1442 (corresponding to 18 March 2021) was issued directing the Ministry of Justice to issue comprehensive Sukuks for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Group. Accordingly, four comprehensive sukuk for the project were issued in favor of the Group on 18 Shaaban 1442H (corresponding to 31 March 2021). The four comprehensive Sukuks have been subdivided into individual Sukuks for the project's land plots in accordance with the approved master plan. The project lands are held for a currently undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project lands are classified as investment properties (except as described below). The project lands include lands mortgaged in favor of commercial banks against long-term loans (note 16).

6. INVESTMENT PROPERTIES (continued)

6.3 The fair value of the Group's investment properties, as at 31 December 2025, has been arrived on the basis of the valuation exercise carried out by Jones Lang LaSalle Saudi Arabia for Real Estate Appraisal (JLL), an independent valuer not related to the Group. JLL is registered in Kingdom of Saudi Arabia under Commercial Registration No. 1010931286. It is a company licensed by the Saudi Authority for Accredited Valuers (Taqeem) and is also accredited by the Royal Institution of Chartered Surveyors (RICS). JLL holds appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of market approach, which reflects recent transaction prices for similar properties. The valuation assumes that the plots of Land in the master plan are fully developed, including all infrastructure works such as roads, electrical networks, water networks, sewage, and land allocations, and that they can be sold in this condition as at the valuation date. Management expects that the cost to complete the infrastructure works will not exceed the fair value of the project lands.

6.4 As at 31 December 2025, the additions represent the increase in the value of the project lands, which mainly represents additional compensation value of SR 0.78 million (2024: SR 4.37 million) for one of the property owner according to a decision of the General Court in Makkah Al Mukarrama.

6.5 During the year ended 31 December 2024, the Group transferred one plot of land from development properties to investment properties in the amount of SR 34.69 million.

6.6 During the year ended 31 December 2025, the Group transferred the plots of land to development properties of SR 2,710.07 million (2024: SR 1,802.30 million) based on a Board of Directors resolution, as management intends to sell these lands. During the year ended 31 December 2025, the Group changed the intended use of certain investment properties comprising development Packages A and B. Accordingly, the Group reclassified the properties from investment property to property and equipment at cost amounting to SR 2,991.80 million (2024: The Group transferred the cost of the solid waste treatment system, which includes an underground extension network, the waste collection station, and related buildings and equipment related to the system, from investment properties to property and equipment at cost, amounting to SR 110.73 million). (Note 7.7).

6.7 The capital works in progress represent the works of demolition, rock excavation, infrastructure, and superstructure, in addition to the costs of engineering consultancy and project building designs. During the year ended 31 December 2025, an amount of SR 526.6 million (2024: SR 717.74 million) was capitalized as a borrowing cost to construct investment properties that are included in capital work-in-progress.

6.8 As at 31 December 2025, some of the infrastructure works are still under construction and are expected to be completed during the first half of 2026.

6.9 During the year ended 31 December 2024, the Group wrote off certain costs relating to design and project-related works as management assessed that they had no future benefits, amounting to SR 79.5 million, which resulted in a corresponding impact on other operating expenses.

6. INVESTMENT PROPERTIES (continued)

6.10 The Group uses the following hierarchy for determining and disclosing the fair values of its investment property by valuation techniques:

	Level 1 SR '000	Level 2 SR '000	Level 3 SR '000	Total SR '000
31 December 2025	**--**	**--**	**28,717,585**	**28,717,585**
31 December 2024	--	--	33,594,331	33,594,331

The fair value of investment properties in the consolidated statement of financial position as at 31 December 2025 amounted to SR 28.72 billion (2024: SR 33.59 billion) for 126 investment plots of land. (2024: 165 investment plot of land), after deducting remaining costs related to the completion of infrastructure works amounting to SR 0.53 billion (2024: SR 1.83 billion). The Group excluded certain plots of lands from investment properties for reclassification purposes, transferring them to development properties and property and equipment. Consequently, fewer plots were valued in 2025 compared to 2024. In addition, the above value has been determined based on the assumption that the proposed projects have been implemented and completed as at the date of valuation, comprising all infrastructure works, such as roads, landscaping, electricity, water, sanitation, land use, topography, and bridges connecting the project to any other facilities.

The comparative figure for 2024 has been updated to clarify the fair value in alignment with the valuation approach used in 2025. In 2025, the remaining infrastructure works were deducted, and a new valuation method (the income approach) was added for certain properties to reflect a more appropriate fair value level in accordance with the requirements of IFRS 13.

Impairment assessment

As at 31 December 2025, the management conducted a detailed assessment of impairment indicators for its investment properties at the cash-generating unit level, based on the market approach and using the latest approved master plan. As the fair value of the cash-generating unit exceeded its carrying amount , no indicators of impairment indicator were identified.

The fair value of the Group's investment properties as at 31 December 2025 was arrived on the basis of a valuation exercise carried out by an independent professionally qualified valuer, that is, Jones Lang LaSalle Saudi Arabia Co. for Real Estate Valuation (JLL), which holds a recognized professional qualification and has recent experience under IFRS 13 in determining the fair values of properties in the locations and segments where the Group's properties are located. JLL has been accredited by the Saudi Authority for Accredited Valuers and performed its work in accordance with the International Valuation Standards Council (IVSC) as well as the regulations issued by the Saudi Authority for Accredited Valuers.

The Group has a team responsible for reviewing the valuations carries out by the independent valuer for financial reporting purposes. This team reports directly to the Group's Executive Management. Discussions regarding the valuation process and its results are held among the management, and the independent valuer at least once a year. There were no changes in the valuation techniques during the year.

6. INVESTMENT PROPERTIES (continued)

Impairment assessment (continued)

At each financial year end, the team:
- Verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

The valuation methodology, inputs, and significant assumptions used by the valuers in determining the net recoverable value / fair value are as follows:

Valuation approach

Market approach	Under this approach, the valuer makes assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject property. The differences in specification of the Group's properties are then adjusted, taking into account size, location, aspect and other material factors.
Income approach	Under this approach, the management has utilized the discounted cash flow approach. The discount rate reflects the growth assumed in the cash flow and the risks associated with the assumptions.

Significant assumption used in the valuation of investment properties

Valuation approach	Input/assumption description	Value	Sensitivity
Market approach	Relevant comparable transactions (actual transactions)	Comparable sales transactions executed in the Makkah region including by the Group	NA
	Adjustments applied to comparable transactions	Various adjustments applied based on the similarity /dissimilarity of the subject property with the comparable	+/-5%
	Gross Floor Area adjustments	2.2% on average basis	+/-0.5%
Income approach	Discount rate	8%	+/-1%
	Growth rate	2%	+/-1%

7. PROPERTY AND EQUIPMENT

7.1 The movement in property and equipment during the year ended 31 December 2025 is analyzed as under:

	Lands	Administration building	Furniture and fixtures	vehicles	Computer	Leasehold improvements	Capital work-in-_progress ("CWIP")	Total
Cost:								
Balance as at 1 January 2025	**173,339,173**	**--**	**13,212,127**	**3,704,907**	**8,984,944**	**22,595,452**	**352,437,348**	**574,273,951**
Additions during the year (note 7.5 and 7.6)	**88,617**	**6,489,494**	**5,700,981**	**136,600**	**6,324,499**	**2,390,607**	**139,288,652**	**160,419,450**
Disposals during year	**--**	**--**	**(275,488)**	**--**	**(431,249)**	**--**	**--**	**(706,737)**
Transfer from investment properties (note 7.7)	**610,928,789**	**--**	**--**	**--**	**--**	**--**	**2,380,867,035**	**2,991,795,824**
Transfer from capital works in progress (note 7.8)	**--**	**31,254,459**	**9,130,806**	**--**	**837,770**	**--**	**(41,223,035)**	**--**
Balance as at 31 December 2025	**784,356,579**	**37,743,953**	**27,768,426**	**3,841,507**	**15,715,964**	**24,986,059**	**2,831,370,000**	**3,725,782,488**
Accumulated depreciation:								
Balance as at 1 January 2025	**--**	**--**	**10,727,368**	**3,704,881**	**8,041,524**	**12,578,040**	**--**	**35,051,813**
Charge for the year (note 7.4)	**--**	**1,563,444**	**2,601,463**	**8,537**	**1,130,087**	**2,896,143**	**--**	**8,199,674**
Disposals during year	**--**	**--**	**(275,478)**	**--**	**(431,188)**	**--**	**--**	**(706,666)**
Balance as at 31 December 2025	**--**	**1,563,444**	**13,053,353**	**3,713,418**	**8,740,423**	**15,474,183**	**--**	**42,544,821**
Net carrying amount as at 31 December 2025	**784,356,579**	**36,180,509**	**14,715,073**	**128,089**	**6,975,541**	**9,511,876**	**2,831,370,000**	**3,683,237,667**

7. PROPERTY AND EQUIPMENT (continued)

7.2 The movement in property and equipment during the year ended 31 December 2024 is analyzed as under:

	Lands	Furniture and fixtures	vehicles	Computer	Leasehold improvements	Capital work-in- progress (“CWIP”)	Total
Cost:							
Balance as at 1 January 2024	172,127,668	13,129,478	3,704,907	8,160,278	11,595,652	215,799,884	424,517,867
Additions during the year (notes 7.5 and 7.6)	1,211,505	82,649	--	824,666	10,999,800	25,906,864	39,025,484
Transfer from investment properties (note 7.7)	--	--	--	--	--	110,730,600	110,730,600
Balance as at 31 December 2024	173,339,173	13,212,127	3,704,907	8,984,944	22,595,452	352,437,348	574,273,951
Accumulated depreciation:							
Balance as at 1 January 2024	--	8,861,838	3,704,881	7,557,742	9,154,396	--	29,278,857
Charge for the year (note 7.4)	--	1,865,530	--	483,782	3,423,644	--	5,772,956
Balance as at 31 December 2024	--	10,727,368	3,704,881	8,041,524	12,578,040	--	35,051,813
Net carrying value as at 31 December 2024	173,339,173	2,484,759	26	943,420	10,017,412	352,437,348	539,222,138

7. PROPERTY AND EQUIPMENT (continued)

7.3 Capital works in progress consist of the following:

	2025	2024
Hotels of development packages A and B	**1,584,159,270**	--
Infrastructure works for the land plots of development packages A and B	**796,199,238**	--
Infrastructure works for Headquarter's lands	**228,530,820**	197,099,033
Solid waste treatment system (note 7.7)	**212,857,372**	110,730,600
Information and communication technology	**6,396,681**	6,221,780
Administrative office works	**2,366,539**	--
Others	**860,080**	--
Head Office of the Group	**--**	38,385,935
	2,831,370,000	352,437,348

7.4 Depreciation charge for the year ended 31 December, has been allocated as follows:

	2025	2024
General and administration expenses (note 25)	**7,887,888**	5,530,624
Selling and distribution expense (note 26)	**311,786**	242,332
	8,199,674	5,772,956

7.5 As at 31 December 2025, part of the additions represents the increase in the value of the Group's lands classified under property and equipment, which mainly represents additional compensation of SR 0.1 million (2024: SR 1.21 million) to property owners in accordance to a decision of the General Court in Makkah Al Mukarrama.

7.6 As at 31 December 2025, part of the additions to capital works in progress represents the capitalization of borrowing costs included in capital works in progress amounting to SR 36.83 million (2024: SR 8.52 million).

7.7 As at 31 December 2025, the Group transferred the hotel lands and CWIP for Packages (A and B) from investment property to property and equipment at cost, amounting to SR 2,991.80 million. (2024: The Group transferred the cost of the solid waste treatment system, which includes an underground extension network and a waste collection station, in addition to buildings and equipment related to the system, from investment properties to property and equipment at cost in the amount of SR 110.73 million [note 6.6]).

7.8 During the year ended 31 December 2025, the Company completed the construction of its new Administration building, with total capitalized cost of the building amounted to SAR 41.2 million.

7.9 Lands include land plots that are mortgaged in favor of commercial banks against long-term loans (Note 16).

8. DEVELOPMENT PROPERTIES

Development properties are properties that are being developed for the purpose of selling them as plots of land and which have been designated by management for future sale in the ordinary course of the Group's business.

8.1 The movement of Development properties for the year ended 31 December is analyzed as follows:

	2025	2024
Balance as 1 January	**1,072,087,855**	212,209,142
Additions during the year (note 8.2)	**104,464,416**	11,212,718
Transferred from investment properties (note 6.6)	**2,710,071,802**	1,802,304,221
Transfers to investment properties (note 6.5)	**--**	(34,692,362)
Sold during the year (note 8.3)	**(1,471,235,532)**	(918,945,864)
Balance as at 31 December	**2,415,388,541**	1,072,087,855

	2025	2024
Development property – non-current portion	**--**	203,051,171
Development property – current portion	**2,415,388,541**	869,036,684
	2,415,388,541	1,072,087,855

8.2 As at 31 December 2025, the additions represent additional costs incurred on the project lands, resulting in an increase in the capital works in progress of SR 104.46 million (2024: SR 11.21 million).

8.3 As at 31 December 2025, the Group sold plots of land from development properties with a total cost of SR 1,544.9 million (2024: SR 983.84 million), representing an actual cost of SR 1,471.24 million (2024: SR 918.95 million), in addition to the estimated cost not yet incurred of SR 73.66 million (2024: SR 64.89 million).

9. TRADE RECEIVABLES

	2025	2024
Trade receivables (note 9.1)	**2,816,220,696**	2,104,577,885
Less: Provision for excepted credit losses	**(28,150,146)**	(7,312,250)
	2,788,070,550	2,097,265,635

9.1 As at 31 December 2025, trade receivables include an amount due from related parties totaling SR 208 million (2024: nil).

	2025	2024
Trade receivable – non-current portion	**1,171,771,612**	1,137,325,748
Trade receivables – current portion	**1,616,298,938**	959,939,887
	2,788,070,550	2,097,265,635

9. TRADE RECEIVABLES (continued)

9.2 The movement of expected credit losses for trade receivables is as follows:

	2025	2024
Balance as at beginning year	**7,312,250**	3,190,238
Addition during the year	**20,837,896**	4,122,012
Balance as at the end of year	**28,150,146**	7,312,250

9.3 Trade receivables are presented at their present value. As of 31 December 2025, the Group had no overdue trade receivable balances, and all outstanding receivables relate to amounts not yet due in accordance with the collection terms.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a) Right-of-use assets

1) The movement of right-of-use assets for the year ended 31 December is as follows:

	2025	2024
Cost:		
Balance as at beginning of the year	**20,517,120**	17,347,941
Lease modification during the year	**--**	3,169,179
Additions during the year	**2,844,099**	--
Balance as at the end of year	**23,361,219**	20,517,120
Accumulated Depreciation:		
Balance as at beginning of the year	**9,702,907**	7,492,770
Charge for the year	**2,431,007**	2,210,137
Balance as at the end of year	**12,133,914**	9,702,907
Net carrying amount:		
Balance as at the end of year	**11,227,305**	10,814,213

2) Depreciation charge for the year ended 31 December, has been allocated as follows:

	2025	2024
General and administration expenses (note 25)	**2,431,007**	2,210,137

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

b) Lease liabilities

	2025	2024
Balance as at beginning year	**11,755,363**	10,808,948
Lease modification during the year	**--**	3,169,179
Additions during the year	**2,844,099**	--
Interest expense	**465,577**	335,236
Payments made during the year	**(3,195,200)**	(2,558,000)
Balance as at the end of the year	**11,869,839**	11,755,363

The weighted average discount rate applied is 5.29%.

The lease contract liabilities are presented in the consolidated statement of financial position as follows:

	2025	2024
Lease liabilities – non-current portion	**8,674,639**	9,197,363
Lease liabilities – current portion	**3,195,200**	2,558,000
	11,869,839	11,755,363

11. INTANGIBLE ASSETS

	2025	2024
Cost:		
Balance as at beginning year	**19,311,921**	18,835,327
Additions during the year	**7,636,716**	476,594
Programs in progress (note 11.1)	**16,110,000**	--
Balance as at the end of year	**43,058,637**	19,311,921
Accumulated amortization:		
Balance as at beginning year	**10,742,376**	8,055,185
Charge for the year (note 25)	**3,341,769**	2,687,191
Balance as at the end of year	**14,084,145**	10,742,376
Net book value	**28,974,492**	8,569,545

11.1 As at 31 December 2025, programs in progress represent the creation and development of digital applications related to the activation plans of the project (Masar Destination) and the enhancement of visitor experience, amounting of SR 16.1 million (2024: nil).

12. ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of the following:

	2025	2024
Value added taxes (VAT)	**115,686,548**	150,086,363
Advances to suppliers	**63,790,261**	129,792,568
Fees and licenses	**6,163,388**	3,832,654
Other	**1,989,496**	4,203,884
	187,629,693	287,915,469

13. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
Alinma Saudi Riyal Liquidity Fund	**101,088,601**	7,803,490

13.1 This represents an investment in the units of Alinma Saudi Riyal Liquidity Fund (the "Fund"), a traded fund managed by Alinma Investment Company. The principal activity of the Fund is to invest in Murabaha contracts that are compliant with the provisions of Islamic Sharia.

13.2 Movement in investment in the Fund:

	2025	2024
Balance as at beginning year	**7,803,490**	7,392,966
Investments made during the year	**879,000,000**	--
Diposals during the year	**(785,803,490)**	--
Net investment at FVTPL	**93,196,510**	--
Unrealized gains at fair value for the year (note 13.3)	**88,601**	410,524
Balance as at the end of year	**101,088,601**	7,803,490

13.3 Movement in net gain from investment at FVTPL is as follows:

	2025	2024
Unrealized gains at fair value for the year	**88,601**	410,524
Realized gains at fair value for the year	**16,944,801**	--
Net gain from investment at FVTPL	**17,033,402**	410,524

14. CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise the following:

	2025	2024
Cash at bank	**128,969,596**	348,857,637
Short-term deposits (Note 14.1)	**98,000,000**	479,500,000
	226,969,596	828,357,637
Short term investments with original maturities of more than 90 days	**--**	(315,000,000)
	226,969,596	513,357,637

14.1 The amount represents short-term deposits with commercial banks for a short period (less than 90 days) which are compliant with the provisions of Islamic Sharia, which earn a commission return at the prevailing rates in the market.

14.2 According to Ijara financing agreement with a commercial bank, the Group opens sub-accounts referred to as 'restricted accounts' in which the proceeds of the public subscription are deposited, in addition to the proceeds of revenue. The balances of these accounts are not pledged, and the Group is permitted to use these proceeds to meet its operational, capital and financing needs.

15. SHARE CAPITAL

On 21 Shawwal 1445H (corresponding to 30 April 2024), the Extraordinary General Assembly approved to increase the Company authorized share capital from SR 13,078,614,190, divided into 1,307,861,419 ordinary shares with a par value of SR 10 per share, to SR 14,386,475,610, divided into 1,438,647,561 ordinary shares with a par value of SR 10 per share, by issuing 130,786,142 new ordinary shares (representing 9.09% of the company's share capital after the increase) for the initial public offering on the Saudi Stock Exchange ("Tadawul") in the Kingdom of Saudi Arabia.

The authorized, issued, and fully paid-up share capital of the Company as at 31 December 2025 consists of 1,438,647,561 shares (31 December 2024: 1,307,861,419 shares) with a par value of SR 10 per share, part of which is in kind and part in cash:

	2025	2024
Value of issued shares	**14,386,475,610**	13,078,614,190

15.1 On 23 December 2024, the Company obtained approval from the CMA to offer 130,786,142 shares on Tadawul, equivalent to 9.09% of the total authorized share capital following the above-mentioned increase. These shares were offered at a price of SR 15 per share upon completion of the book-building process on 20 February 2025, resulting in total proceeds of SR 1,961.79 million. Net proceeds after deducting listing costs related to financial advisors' fees and underwriters' fees, amounting to SR 53,59 million, were SR 1,908,20 million.

The net proceeds were allocated to share capital and share premium as follows:

Share capital (130,786,142 shares of SR 10 each)	1,307,861,420
Share premium	600,340,937

16. LOANS

	2025	2024
Commitments under Musharaka agreements then Ijara agreements (note 16.1)	**4,625,940,151**	7,351,445,457
Commitments under Tawarroq agreements (note 16.2)	**2,899,083,567**	2,667,583,515
Structuring and arrangement fees (note 16.3)	**(45,948,100)**	(28,494,558)
	7,479,075,618	9,990,534,414
Loans – non-current portion	**7,142,431,366**	9,840,480,900
Loans - Current portion	**336,644,252**	150,053,514

16. LOANS (continued)

16.1 During the year 2012, the Company obtained long-term Shariah compliant Musharaka followed by a forward Ijara financing for the purpose of compensating the old lands owners in the Masar Destination Project in the amount of SR 2.6 billion and a short term credit facilities in the amount of SR 300 million. On the year 2015, the Company obtained another Shariah compliant Musharaka followed by a forward Ijara financing for the purpose of financing the infrastructure development, and on the year 2020 the Company obtained an additional short-term financing in the amount of SR 100 million. The total credit limits under the financing agreements amounted to SR 4,500 million which all obtained at market rates and secured from the title deeds of real estate and is mortgaged to the commercial Bank, out of which SR 400 million represents short-term credit facility unutilized by the Company, and SR 4,100 million was fully utilized by the Company by the 2017. The Company entered during the financing period into several structuring with the Bank for the purpose of extending the maturity date of the Shariah compliant Musharaka followed by a forward Ijara financing and update the financing rates.

As disclosed in Company's prospectus for the Initial Public Offering (the "IPO") that majority of the IPO proceeds will be used for financing the costs associated with Real Estate compensation, Infrastructure, Masar Destination Activation and Project Financing and operating expenses, which include the refinancing of existing bank facilities as needed and in line with optimal cash and liquidity management.

During the year 2025, the Company announced that it had used an amount of SR 1,500 million from the net offering proceeds to repay a portion of its existing credit facilities obtained from the commercial bank for which the settled credit limits are to be reinstated and made available for withdrawal to gradually finance project-related commitments as they come due. Moreover, the Company entered in structuring with the Bank regarding the SR 2.6 billion Musharaka followed by a forward Ijara financing to extend the repayment date to be in a single installment on 3 July 2029, while the financing charges are paid annually.

Furthermore, the Funds had entered during the year 2020, into Shariah compliant Musharaka followed by a forward Ijara financing agreements amounting to SR 6,500 million with the Bank to finance the development of investment properties at market rates and secured from the title deeds of real estate and is mortgaged to the Bank. As of 31 December 2025, total amounts utilized around SR 2,026 million (31 December 2024: SR 3,251 million) to be repaid on 6 May 2028, while financing charges are paid annually, the Funds drew an additional payment of SR 258 million (31 December 2024: SR 379 million) and made a repayment of SR 1,485 million (2024: nil).

16.2 During the year ended on 31 December 2023, an agreement was concluded with a commercial bank to obtain long-term Tawarroq financing for a period of seven years, with a credit limit not exceeding SR 2,900 million, for the purpose of financing the infrastructure development works on the project lands and / or purchasing lands. Up to 31 December 2025, the Company utlized an amount of SR 2,093 million (31 December 2024: SR 2,067 million). The principal is due to be repaid in 4 equal annual installments, the first installment of which is due on 29 February 2028. Finance charges are paid annually. The loan obtained at market rates and secured from the title deeds of real estate and is mortgaged to the commercial Bank.

16. LOANS (continued)

16.3 During the year ended 31 December 2024, an agreement was concluded with another commercial bank to obtain long-term Tawarroq financing for a period of 4 years, with a credit limit not exceeding SR 800 million. During the year ended 31 December 2025, the agreement was amended to increase the credit limit to SR 1,300 million through obtain another short-team financing in the amount of SR 500 million. Up to 31 December 2025, the Company utlized an amount of SR 826 million from the original limit (31 December 2024: SR 600 million) and repaid an amount of SR 150 million (31 December 2024: nil). The principal is repayable in four equal annual installments, while finance charges are payable annually. Moreover, the Company utlized an amount of SR 430 million from the second limit to finance the working capital, and repaid an amount of SR 300 million (31 December 2024: nil), the remining principle is due for repayment within one year. The loan obtained at market rates and secured from the title deeds of real estate and is mortgaged to the commercial Bank.

16.4 The Group bears a structuring and arrangement fee for each financing installment withdrawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

16.5 The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

16.6 The Group entered into Sharia-compliant revolving credit facilities agreement to finance working capital requirements in the amount of SR 500 million. No amount under these credit facilities have been utilized or withdrawn up to the date of the financial statements.

17. EMPLOYEES' BENEFITS

	2025	2024
Employees' end of service benefits	**22,716,158**	23,378,897

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. The benefit is based on employees' final salaries, allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and amounts recognized in the consolidated statement of financial position.

17. EMPLOYEES' BENEFITS (continued)

Net benefit expense recognised in statement of profit or loss:

	2025	2024
Current service costs	**4,331,982**	3,423,723
Past service costs	**(690,055)**	--
Interest costs on employee benefit obligations	**1,207,559**	843,352
Net benefit expenses	**4,849,486**	4,267,075

Movement in the present value of defined benefit obligations recognized in statement of financial position

	2025	2024
Defined benefit obligation as at 1 January	**23,378,897**	18,307,959
Current service costs	**4,331,982**	3,423,723
Past service costs	**(690,055)**	--
Interest costs on employee benefit obligations	**1,207,559**	843,352
(Actuarial gain)/ loss on the obligation recognised in OCI	**(2,248,109)**	1,532,449
Benefits paid	**(3,264,116)**	(728,586)
Defined benefit obligation as at 31 December	**22,716,158**	23,378,897

Significant assumptions used in determining the post-employment defined benefit obligation include the following:

	2025	2024
Rate of discounting	**5.05%**	5.55%
Future salary increases or rate	**5.00%**	5.85%
Mortality rate	**SLIC 2001-05**	SLIC 2001-05
Employee turnover rates	**14.39%**	9.24%

Defined benefit liability sensitivity

The sensitivity of ETB, as at 31 December, to changes in the weighted principal assumptions is as follows:

		2025	2024
Rate of change in salaries	Increase by 1%	**24,520,304**	25,831,013
	Decrease by 1%	**21,117,457**	21,244,167
Discount rate	Increase by 1%	**21,232,624**	21,359,363
	Decrease by 1%	**24,420,852**	25,738,949

17. EMPLOYEE BENEFITS (continued)

Actuarial assumptions

Following were the principal actuarial assumptions applied at the reporting date:

	2025	2024
Membership data		
Number of employees	**146**	139
Weighted average age of employees (years)	**40.14**	40.21
Average years of past experience	**5.96**	6.17
Employees' age average when work started (years)	**34.18**	34.04

The sensitivity analyses have been determined based on a method that extrapolates the impact on the end of service benefits as a result of changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the end of service benefit as it is unlikely that changes in assumptions would occur in isolation of one another.

As at 31 December 2025, the weighted average duration of defined benefit obligations is 7.02 years (2024: 9.37 years).

The following payments are expected for the defined benefit plan in future years:

	2025	2024
Within the next 12 months (next annual reporting period)	**2,847,615**	2,674,110
Between 2 to 5 years	**10,247,219**	5,418,179
Between 5 to 10 years	**6,255,035**	7,900,458
More than 10 Years	**15,375,769**	27,447,175
Total expected payments	**34,725,638**	43,439,922

18. RETENTION PAYABLES

	2025	2024
Retention payables (note 1.18)	**25,673,180**	142,030,478
Retention payables – non-current portion	**25,673,180**	142,030,478
Retention payables - current portion (note 18.1 and 21)	**326,480,206**	156,411,597

18.1 Retention payables for work guarantees represent amounts retained by the main contractor of the project from each payment according to the agreed terms as a performance bond and will be paid in two payments upon completion of the contract works.

19. ACCOUNTS PAYABLE - COMPENSATION OF LANDS

	2025	2024
Payables to real estate owners (19.1)	**422,294,021**	421,353,827

19. ACCOUNTS PAYABLE - COMPENSATION OF LANDS (continued)

19.1 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaaban 1442H) was issued directing the Ministry of Justice to issue comprehensive sukuks for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Group with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and 1056 properties that do not have sukuk and register the corresponding shares in the name of the State Properties General Authority. And real estate that has deeds (98 properties) and their owners are not existent, and the corresponding shares are registered in the name of the not existent owners under the supervision of the General Authority For The Guardianship of Trust Funds for Minors And Their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to properties under process, for which the Group is completing the ownership transfer procedures. As at 31 December 2025, the transfer of ownership of 46 properties (2024: 44 properties) out of 166 properties under process was completed.

During the year ended 31 December 2024, the Group completed the sorting and issuance of all deeds, totaling 222 individual deeds for the project land plots from the comprehensive deeds. These include title deeds related to government and public utility and service lands. During the year ending 31 December 2025, the master plan for the project was updated resulting in a total of (219 individual deeds) being sorted and issued including the title deeds for government and public utility and service land.

During the year 2022, the Group was informed that there are two properties (the unknown owner of which is supposed to register the corresponding shares in the name of absent owners under the supervision of the General Authority For The Guardianship of Trust Funds for Minors And Their Counterparts in accordance with the supreme order) that were expropriated and compensated by a committee of development of the spaces surrounding the Holy Mosque of Mecca (Al Haram), and the ownership of the property and the compensation mechanism are currently being considered. Accordingly, these two properties were excluded from the properties of the absent owners referred to in the Supreme Order.

As at 31 December 2025, net settlement to the project's property owners amounted to SR 0.940 million (2024: SR 39.2 million), and the remaining payable for land purchases balance amounted to SR 422.29 million (2024: SR 421.35 million).

20. ACCOUNT PAYABLES

	2025	2024
Accounts payable to project contractors	**35,728,410**	81,906,573
Other	**4,875,877**	1,224,298
	40,604,287	83,130,871

21. ACCRUED EXPENSES AND OTHER LIABILITIES

	2025	2024
Accrued financial charges	**403,369,735**	493,122,516
Unbilled completed development works	**329,690,952**	324,084,626
Retention payables - current portion (note 18)	**326,480,206**	156,411,597
Advances from land reservation customers	**320,582,224**	--
Costs against land sold (note 8.3)	**229,358,373**	267,425,506
Accrued employees' expenses and bonuses	**71,433,590**	48,102,863
Lawsuits and claims	**70,302,465**	60,402,465
Deferred revenue	**32,174,817**	--
Remunerations and meeting allowances	**2,700,000**	2,800,000
Management fee payable to manager of investment funds	**--**	29,000,000
Other	**4,161,981**	940,546
	1,790,254,343	1,382,290,119

22. ZAKAT PROVSION

a) Zakat charge for the year

	2025	2024
Charge for the Year	**43,544,646**	35,421,888

b) Zakat base

The main significant components of the Group's Zakat base (as per the new regulations) for the year ended 31 December comprise:

	2025	2024
Additions:		
Equity and equivalents	**15,910,405,244**	13,005,766,532
Obligations and equivalents up to the limit of deductions	**8,178,022,685**	10,105,375,459
Deductions:		
Book value of non-current assets	**(22,399,134,250)**	(21,838,898,270)
Taxable Zakat base	**1,689,293,679**	1,272,243,721
Zakat due for the year at 2,578%	**43,544,646**	32,884,266
Zakat due during the year	**43,544,646**	32,884,266
Additional Zakat component during the year	**--**	2,537,622
Zakat expense for the year	**43,544,646**	35,421,888

22. ZAKAT PROVSION (continued)

c) Movement of Zakat provision during the year represent:

	2025	2024
Balance at 1 Janaury	**35,845,104**	80,642,326
Charged during the year	**43,544,646**	35,421,888
Zakat refunded during the year	**--**	1,154,465
Payment during the year	**(32,745,602)**	(81,373,575)
Balance at 31 December	**46,644,148**	35,845,104

22.1 The company has finalized its zakat status for the years ending 31 December 2014 to 2018. The Company filed its Zakat returns for the years ended 31 December 2019 to 2024 and obtained its Zakat certificate for the year 2024. As at 31 December 2025, ZATCA had not issued any Zakat assessments for the uncompleted years.

22.2 The Group files Zakat on a consolidated basis in accordance with ZATCA regulations. While all Group entities are included in the consolidated return for reporting purposes.

23. REVENUE

	2025	2024
Revenue by nature		
Income from sale of lands (note 23.1)	**2,890,633,098**	1,813,033,700
Income from lease of lands	**12,593,821**	10,856,742
	2,903,226,919	1,823,890,442

23.1 During the year ended 31 December 2025, the Group sold several plots of land with a total contractual value of SR 2,945 million, with a total sale recognized at present value of SR 2,891 million (2024: SR 1,950 million, with total sales recognized at present value of SR 1,813 million). Income was recognized at a certain point in time.

24. OTHER OPERATING INCOME

	2025	2024
Unwinding of the financial component related to certain land sales	**71,168,862**	58,614,520
Gain on extension of the loan	**18,826,838**	--
Net gain from investment at fair value through profit or loss (note 13.3)	**17,033,402**	410,524
Property rental income (note 24.1)	**3,948,615**	3,650,671
Other	**7,053,102**	--
	118,030,819	62,675,715

24.1 During the year ended 31 December 2025, rental income from properties comprises two components. The first component relates to finance lease interest income arising from the lease of a portion of the Information and Communications Technology ("ICT") assets to operator, amounting to SR 2.4 million (2024: SR 2.1 million). The second component represents rental income from leasing another property within the project area to a contractor for concrete production. This lease is not recurring in nature and does form not part of the Company's core investment plan, and has therefore been classified under other operating income.

25. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprise of the following:

	2025	2024
Salaries and employees' related costs	**136,729,968**	111,294,051
Consulting fees	**51,612,003**	42,586,367
Investments fund management and structuring fees	**27,981,690**	7,943,924
IT Expenses	**11,966,537**	14,058,155
Depreciation of property and equipment (note 7)	**7,887,888**	5,530,624
Remunerations and meeting attendance allowances (note 29)	**5,015,000**	4,765,000
Depreciation of right of use asset (note 10)	**2,431,007**	2,210,137
Amortization of intangible assets (note 11)	**3,341,769**	2,687,191
Audit Fees	**970,000**	910,000
Other	**21,389,929**	5,644,859
	269,325,791	197,630,308

26. SELLING AND MARKETING EXPENSES

The selling and marketing expenses for the year ended 31 December comprise the following:

	2025	2024
Marketing campaigns	**55,571,859**	32,223,243
Promotion and advertising	**36,569,833**	31,328,129
Depreciation of property and equipment (note 7)	**311,786**	242,332
	92,453,478	63,793,704

27. FINANCIAL CHARGES

	2025	2024
Financial charges from loans	**78,970,500**	38,788,845
Interest costs on employee benefit obligations (note 17)	**1,207,559**	843,352
Interest expense from lease liabilities (note 10)	**465,577**	335,236
	80,643,636	39,967,433

28. EARNINGS PER SHARE

Basic earnings per share for the year have been calculated by dividing the net profit for the year attributable to shareholders of the company by the weighted average number of the ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company (after adjusting for interest on the convertible shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Company does not have any convertible shares, therefore, the basic earnings per share equals the diluted earnings per share. Moreover, no separate earnings per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

28. EARNINGS PER SHARE (continued)

The basic and diluted earning per share calculation is given below:

	2025	2024
Net profit attributable to shareholders of the Company	**983,389,202**	498,610,200
Weighted average number of ordinary shares	**1,409,265,469**	1,307,861,419
Basic and diluted earning per share (SR per share)	**0.70**	0.38

29. TRANSACTIONS WITH RELATED PARTIES

Related parties represent directors, and key management personnel of the Group and entities jointly control or exercise significant influence over these parties. The transactions with related parties are made at approved contractual terms.

The Group has entered into a renewable Shariah-compliant credit facility with Alinma Bank to finance the purchase of some lands in Masar destination project (note 16).

In the ordinary course of its activities, the funds deal with related parties, and the transactions of the related parties are in accordance with the terms and conditions of the funds. All related parties transactions are approved by the Fund's Board of Directors (BOD), and the related parties include the BOD, the Fund manager, Alinma Bank (the Fund manager's Parent Company) and their related facilities.

The ownership percentage of entities affiliated with the Government of the Kingdom of Saudi Arabia (the "Government") in the share capital exceeds 50% as of 31 December 2025. Accordingly, the Group applies the exemption in IAS 24 Related Party Disclosures that allows to present reduced related party disclosures regarding transactions with government related parties. The Group has transactions with other GREs, including but not limited to entities that provide electricity, water, telecommunications, and other services. These transactions are conducted in the ordinary course of Group’s business on terms comparable to those with other entities that are not government related. Significant transactions with government related parties are disclosed below.

A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the consolidated financial statements lists, as follows:

Related parties	**Relationship**	**Nature of transaction**	**Amount of transactions during the year ended**		**Closing balances**	
			2025	2024	**2025**	2024
Saleh Abdullah Kamel Humanitarian Foundation (note 29.3)	Joint Shareholder	(Collection) / sale	**--**	(68,113,978)	**--**	--
Alinma Investment Company	Fund Manager	Administrative and management fees	**58,000,000**	58,000,000	**--**	29,000,000

29. RELATED PARTY TRANSACTIONS (continued)

Related parties	Relationship	Nature of transaction	Amount of transactions during the year ended 2025	2024	Closing balances 2025	2024
Alinma Bank (note 29.1)	Parent Company of Fund Manager	Drawn loans	**249,494,692**	386,847,322	**2,006,846,748**	3,224,220,092
		Repayment of loans	**(1,475,000,000)**	--		
		Payment of financial charges	**(285,370,476)**	(251,732,229)		
		Accrued financial charges	**256,690,450**	287,528,883	**146,038,167**	174,915,644
General Authority for Awqaf (Awqaf) (note 29.3)	Shareholder	(Payment) / settlement of payables	**--**	(102,246,450)	**--**	--
Wijhat Al-Bayt Real Estate Company (note 29.3)	Common Board member	Sale of Land	**235,053,506**	--	**207,985,956**	--
Aljazera bank (note 29.3)	Common Board member	Drawn loans	**25,190,612**	367,369,560	**2,092,560,073**	2,067,369,460
		Payment of financial charges	**(148,184,162)**	(54,436,467)		
		Accrued financial charges	**149,548,974**	148,880,646	**133,136,624**	131,771,812
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting attendance fee	**5,015,000**	4,765,000	**3,415,000**	3,440,000

29.1 As at 31 December 2025, the closing balance of loans of SR 2.06 billion (2024: SR 3.22 billion) represents outstanding loans obtained from Alinma Bank by the Group's subsidiaries only and does not include outstanding loans obtained by the Parent Company.

29.2 Compensation for key management personnel was as follows:

	2025	2024
Salaries and allowances (note 29.4)	**42,688,156**	17,016,168
End of service allowance	**1,317,083**	1,405,463
	44,005,239	18,421,631

29.3 The parties have been classified as related parties in accordance with the Saudi Arabian Companies Law issued by the Ministry of Commerce.

29.4 These include non-recurring exceptional bonuses related to the successful initial public offering ("IPO") and the Company's listing on the Saudi Stock Exchange (Tadawul) during 2025.

30. FINANCIAL RISK MANAGEMENT

Overview

The Group's activities may expose it to a variety of financial risks. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant markets variables, thereby consistently seeks to minimize potential adverse effects on the Group's financial performance.

The Group may be exposed to the following risks from its use of financial instruments:

a) credit risk;
b) interest rate risk; and
c) liquidity risk.

This note presents information about the Group's possible exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's audit committee is assisted in its oversight role by internal audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities comprise of accounts payable, lease liabilities, other liabilities and loans. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets comprise receivable, investments at fair value through profit or loss, and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarized below:

a) Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- Foreign currency exchange risk,
- Commission (interest) rate risk; And
- Other Price risk

30. FINANCIAL RISK MANAGEMENT (continued)

a) Market risks (conbtinued)

The Group's overall risk management program focuses on financial market fluctuations and seeks to minimize potential adverse effects on the Group's financial performance.

- ***Foreign Currency risk***

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group’s functional and reporting currency is in Saudi Arabian Riyals. The Group’s transactions are principally in Saudi Arabian Riyals. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant. The Group is not exposed to any significant foreign currency risk from Saudi Riyals, and US Dollars denominated financial instruments..

- ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market interest rate risk relates primarily to the Group's long-term loans, which expose the Group to cash flow interest rate risk.

The exposure of the Group’s borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	2025	2024
Variable interest rate borrowings	**7,479,075,618**	9,990,534,414

Interest rate sensitivity analysis
Non-current assets are impacted by the increase and decrease in interest costs resulting from long-term loans as a result of changes in interest rates, Upon completion of the project's construction work, the impact on profit before Zakat will be as follows:

	2025	2024
Interest rate - increase by 100 basis points	**74,790,756**	99,905,344
Interest rate - decrease by 100 basis points	**(74,790,756)**	(99,905,344)

- ***Other price risk***

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Group’s exposure to unit price risk arises from investments held by the Group and classified in the consolidated statement of financial position at fair value through profit or loss. The Group closely monitors price in order to manage price risk arising from investments in fund.

30. FINANCIAL RISK MANAGEMENT (continued)

a) Market risks (conbtinued)

The table below summarizes the impact of increases/decreases of the NAV of units on the Group's equity. The analysis is based on the assumption that the NAV of units had increased or decreased by 1% with all other variables held constant, and that all the Group's units moved in line with the market price.

	2025	2024
NAV of the units-increases by 1%	**1,010,886**	78,035
NAV of the units-decreases by 1%	**(1,010,886)**	(78,035)

b) Credit risk

Credit risk arising from the other financial assets of the Group, including bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

The following is the impact of the total credit risk that the Group is exposed to at the date of the consolidated financial statements:

	2025	2024
Trade receivables	**2,816,220,696**	2,104,577,885
Other receivables	**1,989,496**	4,203,884
Cash at bank	**128,969,596**	348,857,637
Short-term-deposits	**98,000,000**	479,500,000
	3,045,179,788	2,937,139,406

At each reporting date, all bank balances and short-term deposits are assessed to have low credit risk as they are held with reputable and high rating (A-) local banking institutions and there has been no history of default on any of the bank balances. Therefore, the probability of default based on forward-looking factors and any loss given default are considered to be negligible.

The following table provides information about credit risk exposure and ECLs on receivable from individual customers as of 31 December:

31 December 2025	**Expected loss rate**	**Gross carrying amount**	**Expected credit losses**
Current (not past due)	**1.00%**	**2,816,220,696**	**(28,150,146)**
		2,816,220,696	**(28,150,146)**

31 December 2024	Expected loss rate	Gross carrying amount	Expected credit losses
Current (not past due)	0.35%	2,104,577,885	(7,312,250)
		2,104,577,885	(7,312,250)

30. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk (continued)

Concentration risk
The Group has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profiles and payment history.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third-party and market information.

Trade receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures, and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The largest two customers represent 39% of outstanding receivables as at 31 December 2025 (2024: 54%).

The receivables are shown net of allowance for impairment of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables are grouped into low risk, moderate risk, doubtful and loss based on common characteristics of credit risk and number of days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables.. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

c) Liquidity risk

Liquidity risk is the risk that a Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity dates of financial assets and liabilities.

30. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2025	**Carrying amount**	**Less than one year**	**2 - 5 years**	**More than 5 years**	**Total**
Loans	**7,479,075,618**	**945,487,407**	**8,966,229,917**	**673,369,107**	**10,585,086,431**
Lease liabilities	**11,869,839**	**3,608,939**	**10,012,924**	**--**	**13,621,863**
Retention payables	**25,673,180**	**--**	**25,673,180**	**--**	**25,673,180**
Payable - compensations of lands	**422,294,021**	**422,294,021**	**--**	**--**	**422,294,021**
Accounts Payables	**40,604,287**	**40,604,287**	**--**	**--**	**40,604,287**
Accrued expenses and Other payables	**1,790,254,343**	**1,790,254,343**	**--**	**--**	**1,790,254,343**
	9,769,771,288	**3,202,248,997**	**9,001,916,021**	**673,369,107**	**12,877,534,125**

31 December 2024	Carrying amount	Less than one year	2 – 5 years	More than 5 years	Total
Loans	9,990,534,414	768,858,344	9,957,102,504	1,378,490,545	12,104,451,393
Lease liabilities	11,755,363	2,974,675	10,889,559	--	13,864,234
Retention payables	142,030,478	--	--	142,030,478	142,030,478
Payable - compensations of lands	421,353,827	421,353,827	--	--	421,353,827
Accounts Payables	83,130,871	83,130,871	--	--	83,130,871
Accrued expenses and other payables	1,382,290,119	1,382,290,119	--	--	1,382,290,119
	12,031,095,072	2,658,607,836	9,967,992,063	1,520,521,023	14,147,120,922

31. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

31. CAPITAL MANAGEMENT (continued)

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The ratio of net liability to equity as at 31 December is as follows:

	2025	2024
Total liability	**9,839,131,594**	12,090,319,073
Less: cash and cash equivalents	**(226,969,596)**	(513,357,637)
Net liabilities	**9,612,161,998**	11,576,961,436
Total equity	**15,863,761,096**	12,969,921,428
Net liabilities to equity	**0.61**	0.89

32. FAIR VALUE OF ASSETS AND LIABILITIES

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between levels of the fair value hierarchy during the year ended 31 December 2025 and for the year ended 31 December 2024. Additionally, there were no changes in the valuation techniques.

32. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

As at the reporting date, except for the investment at fair value through profit or loss shown in the table below, management believes that, given the maturities and interest rate profiles (where applicable), the carrying amounts of the Group's other financial assets and liabilities approximate their fair values and are measured at amortized cost.

The fair values of financial instruments are not materially different from their carrying value.

	Level 1	Level 2	Level 3	Total
31 December 2025				
Investment at fair value through profit or loss	**101,088,601**	**--**	**--**	**101,088,601**
31 December 2024				
Investment at fair value through profit or loss	7,803,490	--	--	7,803,490

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Liabilities		
	Lease liabilities	Loans	Total
Balances as at 1 January 2025	**11,755,363**	**10,019,028,972**	**10,030,784,335**
Changes from financing cash flows			
Proceeds from bank loans	**--**	**941,557,890**	**941,557,890**
Repayment of loans	**--**	**(3,435,563,144)**	**(3,435,563,144)**
Repayment of lease liability	**(2,729,623)**	**--**	**(2,729,623)**
Finance cost paid of lease liabilities	**(465,577)**	**--**	**(465,577)**
Total changes from financing cash flows	**(3,195,200)**	**(2,494,005,254)**	**(2,497,200,454)**
Other changes			
Additions	**2,844,099**	**--**	**2,844,099**
Finance cost of lease liabilities	**465,577**	**--**	**465,577**
Total liability-related other changes	**3,309,676**	**--**	**3,309,676**
Balance at 31 December 2025	**11,869,839**	**7,525,023,718**	**7,536,893,557**

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Liabilities		
	Lease liabilities	Loans	Total
Balances as at 1 January 2024	10,808,948	8,672,752,280	8,683,561,228
Changes from financing cash flows			
Proceeds from bank loans	--	1,346,276,692	1,346,276,692
Repayment of lease liability	(2,222,764)	--	(2,222,764)
Finance cost paid of lease liabilities	(335,236)	--	(335,236)
Total changes from financing cash flows	(2,558,000)	1,346,276,692	1,343,718,692
Other changes			
Lease modification during the year	3,169,179	--	3,169,179
Finance cost of lease liabilities	335,236	--	335,236
Total liability-related other changes	3,504,415	--	3,504,415
Balance at 31 December 2024	11,755,363	10,019,028,972	10,030,784,335

34. CONTINGENCIES AND COMMITMENTS

As at 31 December 2025, capital works commitments in progress amounted to SR 4,396 million (2024: SR 4,167 million), and the Group issued letters of guarantee amounting to SR 39.00 million (2024: Nil).

35. SEGMENTS INFORMATION

The Group has one reportable segment, as described below, which is the Group's strategic business unit. As per the financial statements for the year ended 31 December 2025, the Group’s strategicstrategic commercial unit offers a single product which is land sales. The Group’s Board of Directors and Chief Executive Officer monitors the results of the Group’s operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group.

The Group operates in one principle business sector.

Geographical distribution of sales:

Income from sale of lands	**31 December 2025**	31 December 2024
Kingdom of Saudi Arabia	**2,890,633,098**	1,813,033,700
Total revenue	**2,890,633,098**	1,813,033,700

During the year ended 31 December 2025, land sales to three customers represented 62% of total sales amounting to SR 2.9 billion (2024: five customers representing 100% of total sales amounting to SR 1.8 billion) of the Group's total income. Each of these clients represents more than 10% of the group's total income from land sales.

36. SUBEQUENT EVENTS

On 25 January 2026, the Group terminated a land sale contract with a customer, for which revenue had previously been recognized in the second quarter of 2025, due to the buyer’s breach of a material contractual obligation that warranted termination in accordance with the terms and conditions of the contract. As a result, revenue for 2025 was reduced by SR 264.9 million, and on 12 February 2026, the Group signed a sales agreement for a plot of land within the Masar Destination project in Makkah, with a total value of SR 89.46 million. The carrying amount of the land plot amounted to SR 40.30 million. Up to the date these consolidated financial statements were approved for issuance by the Board of Directors, there were no other material events that would require adjustment to, or disclosure in, these consolidated financial statements.

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 15 March 2026 (corresponding to 26 Ramadan 1447H).